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China Report

ECONOMIC AFFAIRS

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16 April 1985

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PROVINCIAL AFFAIRS

SHAO MING DELIVERS REPORT ON ANHUI DEVELOPMENTS

OW262321 Hefei ANHUI RIBAO in Chinese 12 Mar 85 p 1

[Text] The Third Session of the Sixth Anhui Provincial People's Congress held its second meeting on the morning of 11 March.

The meeting was presided over by Executive Chairman Wei Xinyi. Vice Governor Shao Ming delivered a report on the "Draft 1985 Plan for Anhui's National Economic and Social Development." Yang Lianzhu, director of the provincial finance department, delivered a "Report on the Implementation of Anhui's Budget for 1984, and the Draft Budget for 1985."

Vice Governor Shao Ming's report was divided into three parts:

1. Implementation of the 1984 plan;
2. Major tasks and targets for the 1985 plan;
3. Several tasks we need to carry out in order to fulfill the latter. He said: Anhui's 1984 Plan for National Economic and Social Development has been triumphantly fulfilled. The achievements in Anhui have been tremendous, and the situation in the province is better than ever before. All targets set by the "Sixth 5-Year Plan" for Anhui in 1985, such as the total product of society, the total output value of industry and agriculture, the national income, the income from revenue and sales, and the targets for the output of most products have been fulfilled, or overfulfilled, a year ahead of schedule. An overall bumper harvest has been reaped, and gratifying changes have taken place in product mix. Industrial growth has been accelerated, while output value, revenue income from sales, the profits accrued, and the profits and taxes turned over to the state treasury, have been simultaneously on the increase. Technical innovations and key construction projects have been carried out fairly well, while the revenue income in the province has been steadily rising. Plans for extending credits have been overfulfilled. The urban and rural markets are brisk, and trading with foreign countries is expanding. Remarkable progress has been made in importing technology and effecting cooperation with foreign countries. New developments have been scored in developing various social undertakings. Shao Ming pointed out: The current situation is encouraging. However, some problems exist. 1. There is a trend of rapidly increasing capital consumption. 2. The setup of production and the product

mix are somewhat irrational. 3. Not enough preparations have been made ahead of time for investment in fixed assets, thus adversely affecting the various construction projects, and the import of technology, as well as the use of foreign capital. All this merits our full attention. We must adopt effective measures to systematically solve these problems.

In his report, Vice Governor Shao Ming pointed out: Anhui's main economic work task in 1985 is to further implement the policy of "enlivening the domestic economy and opening the country to the outside world," actively and steadily reform the economic system, accelerate technical innovations, vigorously develop the key construction projects, and strike an overall balance in all sectors of the economy, to help Anhui's economy achieve steady growth, improve economic results, fulfill the "Sixth 5-Year Plan" in an overall manner, and make preparations for the development of the "Seventh 5-Year Plan." On the basis of this major task, the report has elucidated the major targets of Anhui's 1985 plan, the requirements of all sectors of the economy, and the various tasks we need to carry out.

In his report, Director Yang Lianzhu, first analyzed the situation in the implementation of Anhui's 1984 budget. He said: Following the economic growth and steady increases in revenue in 1984, we had overfulfilled our targets, and achieved a balance between revenues and expenditures, showing a slight surplus.

Yang Lianzhu continued: In order to balance the provincial budget for 1985, we must adhere to the principle of vigorously carrying out reform, and ensuring the completion of key projects. We must enthusiastically develop production, unblock the channels for the circulation of commodities, fully tap all potential, increase revenue, while reducing expenditure, and carry out reforms of wages and commodity prices. It is necessary to achieve a balance between revenue and expenditure, with a slight surplus. In his report, Yang Lianzhu said: In order to balance the 1985 budget, efforts must be made to follow a correct guiding ideology in doing financial work, carry out such work in a flexible way, adhere to the guideline of combining strictness with leniency, and thoroughly carry out financial work reforms. It is essential to develop the county-level economy, strengthen financial work in various villages and townships, strive to increase revenue and reduce expenditure, ensure a balance between revenue and expenditure, strictly supervise financial affairs, and enforce discipline against violations in the fields of finance and the economy.

Also present at the meeting were executive chairmen Lu Rongjing, Zhang Linyuan, Zheng Rui, Ying Yiquan, Kang Zhijie, Du Hongben, Zhang Liyi, Jiang Lang, Chen Fudong, and Xu Chao.

All members attending the 3d Session of the Fifth Provincial CPPCC Committee were present at the meeting as observers. Also present as observers were deputies to the Sixth National People's Congress from Anhui, and the responsible persons of various relevant units under the Provincial CPC Committee and the Provincial People's Government.

On the afternoon of 11 March, and on the morning of 12 March, all deputies attending the 3d Session of the Sixth Provincial People's Congress examined and held group discussions on the reports of the draft plan for Anhui's national economic and social development, and the implementation of Anhui's current and draft budgets. All members attending the 3d Session of the Fifth Provincial CPPCC Committee held group discussions on these two reports on the afternoon of 11 March.

CSO: 4006/495

PROVINCIAL AFFAIRS

COMMUNIQUE ON FULFILLMENT OF 1984 ECONOMIC PLAN

SK250451 Hohhot NEIMENGGU RIBAO in Chinese 9 Mar 85 pp 2, 3

[Communique on Fulfillment of 1984 Regional Economic and Social Development Plan Made by the Nei Monggol Regional Statistics Bureau on 9 March 1985]

[Text] In 1984, the people of all nationalities in our region, under the leadership of the regional CPC Committee and the regional People's Government, had further implemented the policy on enlivening domestic economy and opening to the outside world, made progress in accelerating the pace of the overall economic restructure with a focus on urban areas, and created a new situation in the region's economic work that we had never had in the past few years. The total production value of the society in 1984 was 18.233 billion yuan, an increase of 10.74 percent over the previous year. Of this, the total industrial and agricultural output value was 13.908 billion yuan, an increase of 9.35 percent over the previous year. The people's income was 8.415 billion yuan, an increase of 11 percent over the previous year. The total output value of the society, the people's income, the total output value of industry and agriculture, and the output of 24 industrial products including grain, oil-bearing crops, television sets, sugar, salt, plate glass, timber, cement, electric generation and pig iron had prefulfilled the targets set for 1985 in the Sixth 5-Year Plan by 1 year. On the basis of the development of production, the market was brisk and the people's livelihood continued to improve. New developments had been made in scientific and technological, cultural, sports, public health and social welfare undertakings and the construction of spiritual civilization. Principal problems in the development of national economy were as follows: The industrial structure needed to be further readjusted. No satisfactory economic results were achieved in the fields of production, construction, and circulation. The prices of some commodities rose and the strain on transport still existed.

1. Agriculture and Animal Husbandry

Under the guidance of the guidelines of the Document No 1 of the central authority and along with the deep development of the comprehensive reform of the rural and pastoral economic structure, the peasants and herdsmen, regardless of some areas being hit by natural disasters, were further aroused with enthusiasm for production. With the increases in various kinds of specialized households and economic associations, the rural economy was

gradually specialized, commercialized, and modernized and a rapid development in commodity product was made. On the basis of rich harvests for 4 successive years, we reaped bumper agricultural and livestock harvests again.

The total agricultural output value was 5.695 billion yuan, an increase of 9.84 percent over the previous year. The industrial output value realized by the industrial enterprises excluding that by the industrial enterprises at and below village level was 5.495 billion yuan, an increase of 10.56 percent over the previous year. Of the total agricultural output value, agriculture (crop cultivation) brought in 3.069 billion yuan, an increase of 8.68 percent over the previous year; forestry 473 million yuan, up 16.5 percent; animal husbandry 1.374 billion yuan, up 8.27 percent; fishery 18 million yuan, the same as that of last year; and sideline production 761 million yuan, up 13.92 percent.

The cropping structure was further readjusted. The areas sown to grain crops was reduced by 2.13 percent from the previous year and the areas sown to cash crops increased by 8.63 percent over the previous year. The production of some major farm products including grain, oil-bearing crops, and beets topped the planned figures.

The production of major farm products was as follows:

	1984	Percentage Increase Over 1983
Grain (including soybean)	11.888 billion jin	6.1
of which: wheat	2.885 billion jin	19.2
millet	932 million jin	7.62
tubers	998 million jin	19.24
soybean	460 million jin	5.54
oil-bearing crops	1.195 billion jin	11.06
of which: rapeseed	60 million jin	100
sesame	168 million jin	47.37
sunflower seeds	842 million jin	8.79
beets	2.82 billion jin	4.41

On the basis of continuously implementing the forestry production responsibility system, further development was made in tree planting and afforestation in 1984. In all, 11.4 million mu were afforested, an increase of 24.7 percent over the previous year. The survival rate improved. The production of major forestry products increased to varying degrees over the previous year.

The production of animal husbandry continued to develop. Although the number of animals in stock at year end was reduced over the previous year, the marketable animals and the animals slaughtered increased. The production of major livestock products including pork, beef, mutton, milk, poultry, and eggs increased over the previous year.

The production of major livestock products and the number of animals were as follows:

	1984	Percentage Increase Over 1983
Output of pork, beef, and mutton	644.7 million jin	5.98
of which: pork	366.358 million jin	5.71
beef	99.949 million jin	13.57
mutton	178.403 million jin	2.69
milk	399.234 million jin	19.66
Sheep wool and goat hair	100.739 million jin	- 5.62
of which: sheep wool	97.631 million jin	- 5.76
animals		
(in mid-year)	37.946 million head	- 3.14
(at year end)	30.754 million head	- 1.2
of which: large animals		
(in mid-year)	7.409 million head	0.14
(at year end)	6.981 million head	0.49
small animals		
(in mid-year)	30.537 million head	- 3.91
(at year end)	23.773 million head	- 1.68
pigs		
(in mid-year)	4.649 million head	- 6.23
(at year end)	4.128 million head	- 3.35

Progress was made in fishery production. The total annual output of aquatic products was 15,645 tons, an increase of 2.56 percent over the previous year.

Conditions for agricultural production continuously improved. Total power capacity of farm machines reached 5.932 million horsepower, an increase of 1.99 percent over the previous year. The number of large tractors was 32,900, a drop of 1.2 percent from the previous year and that of small tractors was 58,400, an increase of 44.2 percent over the previous year. The number of vehicles for farm use was 7,063, an increase of 6.04 percent over the previous year; and irrigation and drainage equipment was 1.2 million horsepower, an increase of 10.17 percent over the previous year. A total of 162,900 tons of chemical fertilizers were applied, an increase of 12.81 percent over the previous year. The total consumption of electricity in rural and pastoral areas was 670 million kwh, an increase of 6.35 percent over the previous year.

In 1984, meteorological departments enthusiastically made contributions to agriculture and livestock production and other specialized service projects. Forecasts of severe weather in some areas were fairly accurate and prompt.

2. Industry

In 1984, the industrial output continuously increased. Industrial enterprises increased economic results. The total industrial output value was 8.213 billion yuan, an increase of 9.01 percent over the previous year. The output value realized by industrial enterprises including those at and below the village level reached 8.413 billion yuan, an increase of 8.64 percent over the previous year.

The output of 66 of the 100 major industrial products met or topped their plans. They were raw coal, electricity generation, pig iron, steel, timber, cement, television sets, woollen goods, knitting wool, sugar, salt, plate glass, chemical fertilizer, leather and dairy products. Thirty-four of them failed to meet their planned quotas, including machine-made coke, mining equipment, and metal-cutting machine tools.

The output value of light industry in 1984 was 3.454 billion yuan, an 8.27 percent increase over 1983. The quality of light industrial products improved and the variety increased somewhat. In 1984, light industrial, textile and electronics products won 3 national good-quality prizes, 10 ministry prizes, and 53 regional prizes. But owing to the poor competitive capability of some products, consumers' needs could not be satisfied as yet.

Output of major light industrial products:

	1984	Percentage Increase Over 1983
Cotton yarn	12.851 tons	- 4.63
Cloth	71,677,100 meters	-12.61
of which: chemical fabrics	31,113,900 meters	-32.68
chemical fibers	2,803 tons	63.25
Machine-made paper and paper board	71,596 tons	37.65
Woollen Piece Goods	5.869 million meters	36.46
Silk textiles	3.51 million meters	20.28
Sugar	172.800 tons	34.34
Wine	145,300 tons	27.90
Salt	627,400 tons	1.82
Chemical pharmaceuticals	524 tons	10.17
Detergents	6,417 tons	32.28
Light bulbs	9,766,200	14.76

Television sets	100,000	88.92
of which: color sets	8,700	1.9-fold
radio sets	137,800	- 2.65
Household washing machines	41,013	-17.82
Dairy products	12,142 tons	32.53
Leather	840,800 pieces	9.25
Knitting wool	4,695 tons	- 0.66
Woollen blankets	533,000 pieces	15.58
Carpets	162,600 square meters	2.98
Felts	3,037 tons	- 6.16
of which: yurt felts	483 tons	7.06
Milk buckets	33,300	3.91
Saddles	12,900	14.74
Yurt stands	1,220	12.00

The 1984 heavy industrial output value was 4.759 billion yuan, a 9.55 percent increase over 1983.

Output of major heavy industrial products:

	1984	Percentage Increase Over 1983
Coal	27.396 million tons	10.15
Electricity	6.955 billion kwh	14.35
Pig iron	1,603,600 tons	6.50
Steel	1,494,700 tons	11.50
Rolled steel	748,000 tons	23.70
Coke (machine-made)	1,434,500 tons	3.97
Timber	4,781,600 cubic meters	- 0.48
Cement	1,514,000 tons	3.78
Plate glass	1,872,300 standard cases	44.35
Sulphuric acid	35,400 tons	- 8.53

Soda ash	15,400 tons	- 3.05
Chemical fertilizers	108,100 tons	6.40
Plastics	2,337 tons	- 1.85
Mining equipment	357 tons	-17.23
Alternating current generators	255,300 kw	15.16
Wind-driven generators	8,644	---
Machine tools	1,143	3.53
Small-sized tractors	12,118	95.58

The reform of industrial structure, enterprises consolidation and technological transformations added new vitality to industrial enterprises, mobilized enterprises' initiative in production and management, and improved the efficiency of enterprises. The 1984 total output value of state industrial enterprises increased by 8.03 percent over 1983; that of collectively run industrial enterprises increased by 12.5 percent; and that of enterprises of various other kinds increased by 133 percent. Per-capita productivity for independently accounting state-owned industrial enterprises was 8.361 yuan, a 4.77 percent increase over 1983. The profits gained by state-owned enterprises covered by the provincial budget from selling each 100 yuan worth of products increased by 7.61 percent over 1983. The turnover period of working funds was shortened to 150 days in 1984 from 156 days in 1983. The total cost of comparable products dropped by 0.11 percent from 1983. But some enterprises' quality was poor, their economic results were not greatly improved, and their losses increased over 1983.

3. Investment in Fixed Assets, and Building Industry

The total investment in fixed assets of state-owned units came to 3.029 billion yuan, a 19.82 percent increase over 1983, and that of urban collectively run units of 56 million yuan, the same as that in 1983.

The investment in capital construction by state-owned units was 2.206 billion yuan, an increase of 27.59 percent over the previous year. Of this, 1.3 billion yuan was covered by the state budget, an increase of 69.49 percent over the previous year; and 906 million yuan was not covered by the state budget, a drop of 5.82 percent from the previous year. Of the investment in capital construction, the investment in state projects was 1.519 billion yuan, an increase of 22.3 percent over the previous year; and the investment in local projects was 687 million yuan, an increase of 40.78 percent over the previous year. A total of 1.418 billion yuan of fixed assets of state-owned units were available for utilization, an increase of 49.6 percent over the previous year. The rate of fixed assets available for utilization rose from 54.8 percent in the previous year to 64.3 percent.

The construction of key projects was further stressed. Of the total investment in capital construction, the investment in energy industry was 1.12 billion yuan, an increase of 26.55 percent over the previous year; the investment in transportation facilities and telecommunications was 211 million yuan, an increase of 85.09 percent; and the investment in education and scientific research was 132 million yuan, an increase of 26.92 percent over the previous year.

Capital construction investment helped add the following major industrial capacities: 4.93 million tons of coal, 83,500 kw of power generating capacity, 258 kilometers of power transmission lines, 40.4 kilometers of newly laid railway tracks. 26.8 kilometers of newly built railways already open to traffic, 32 kilometers of newly built roads, 90,000 cubic meters of timber, 357 tons of dairy products and 5,000 tons of cold storage.

In 1984, 8 large- and medium-sized projects were completed and put into production. Of them, one was completely put into operation and seven more partially put into operation. They included Wuda Powerplant (completely put into operation), Zhalainguoer Powerplant, Huolinhe mining area, Dayan mining area, Yiminhe mining area, Pingzhuang mining area, Yakeshi forestry administrative bureau and Baotou Iron and Steel Company's flocculation ore dressing (4825 0413 6693 4349).

Technological transformation among existing enterprises was stressed. A sum of 823 million yuan was invested in renewing equipment and technical improvement projects in state-owned units in 1984, an increase of 3 percent over the previous year. Of this, the proportion of investment used to increase production and introduce energy-saving devices went down from 47.14 percent in the previous year, to 35.33 percent. The principal reason for the drop of the proportion was that the investment in Erenhot oilfield was used for other purposes. The proportion of the investment used to increase the varieties of products and to improve the quality of products went up from 10.39 percent in the previous year to 16.64 percent.

Fairly rapid development was made in the production of construction trade. Economic results were improved. The labor productivity of the construction trade in 1984 reached 5,575 yuan, an increase of 6.07 percent over the previous year.

Rapid progress was made in the reforms of the capital construction management system and the construction system. In 1984, 98 percent of the total construction enterprises carried out the contract responsibility system. Remarkable results were made in reducing the construction period and the cost of construction and improving the quality of the construction among the construction projects that were undertaken through capital construction and open bidding system. The capital construction in different localities was unevenly developed. The capital construction management system and the transformation of construction trade should be further stressed.

4. Transportation, Posts and Telecommunications

Although there was a shortage of transport facilities, transport departments adopted various active measures to improve transport ability, thus substantially increasing passenger and cargo transportation volume.

In 1984, the volume of railway freight was 37.627 billion ton-km, an increase of 12.13 percent over 1983; and that of road goods was 1.549 billion ton-km, an increase of 15.60 percent. The volume of railway passenger transportation was 5.001 billion person-km, an increase of 13.87 percent over 1983; and that of road passenger transportation was 2.034 billion person-km, an increase of 17.17 percent.

Posts and telecommunications developed fairly quickly. The region's posts and telecommunications transactions in 1984 were 55.287 million yuan, an increase of 7.12 percent over 1983. Of which, letters increased by 5.74 percent, combined circulation of newspapers and magazines by 9.60 percent, and long-distance telephone calls by 11.70 percent. Telegrams declined by 7.31 percent from 1983. The year-end number of telephones in urban use increased by 18.50 percent over 1983.

Following the reform of the economic structure, transport, postal and telecommunications departments improved their economic results. The per-capita productivity for Hohhot Railway Bureau registered a 4.8-percent increase over 1983. The daily volume of freight hauled by each locomotive averaged 1.4-percent more than in 1983. The consumption of fuel by steam locomotives per 10,000 ton-km of freight remained at the same level as 1983. Profit registered a 12.8-percent increase over 1983. Deficits of postal and telecommunications enterprises dropped as compared with 1983. At present, however, transportation, posts and telecommunications still cannot meet the needs in the development of the economic situation, and the pressure on transportation still cannot be relieved.

5. Domestic Trade

Our region witnessed fairly ample commodity supply in 1984. The total value of commodities purchased by state-owned commercial departments and supply and marketing cooperatives reached 4.02 billion yuan, an 8.06-percent over 1983. Among them, the purchase of trading grain [mao yi liang 6319 2496 4752] was 3.33 billion jin, an increase of 14.82 percent over 1983; that of edible vegetable oil was 190 million jin, an increase of 6.93 percent; and that televisions, wrist watches, sewing machines and other commodities also showed fairly large increases.

Commodity supplies to markets further expanded. The total value of retail sales of 1984 was 6.828 billion yuan, an increase of 18.45 percent over 1983. Of which, the retail sales of consumer goods was 6.179 billion yuan, an 18.49-percent increase over 1983; and that of means of agricultural production was 649 million yuan, an 18.06-percent increase. The sales volume of major consumer goods of commercial departments showed substantial increases over 1983. Of which, the sales volume of grain increased by 17.52 percent, that of edible

vegetable oil by 16.44 percent, that of woolen piece goods by 127.25 percent; that of silks and satins by 18.04 percent; that of knitting wool by 30.32 percent; that of wrist watches by 11.69 percent; that of televisions by 17.13 percent; and that of washing machines by 37.97 percent.

The volume of retail sales of various sectors of the economy registered increases, and that of the collective and individual sectors increased fairly quickly. In 1984, the volume of retail sales of state-owned commercial departments reached 5.073 billion yuan, an increase of 10.36 percent over 1983; that of collective commercial units reached 957 million yuan, an increase of 24.35 percent; and that of individual-owned commercial units reached 515 million yuan, an increase of 142 percent.

Trade in urban and rural peasant markets was brisk. Total business turnover in urban and rural peasant markets reached 445 million yuan, a 47.0 percent increase over 1983. Turnover of poultry and eggs increased by 15.0 percent, that of aquatic products by 165 percent; that of vegetables by 3.0 percent; and that of dried and fresh fruits by 25.0 percent.

Market prices were somewhat raised. The general price index of retail sales rose by 4.4 percent. Retail sales rose by 5.0 percent in cities and 3.5 percent in the rural areas. Foodstuffs were up 6.3 percent, of which, non-staple foodstuffs registered a 10.9 percent increase; fresh vegetables rose by 29.3 percent; aquatic products, 16.8 percent; meat, eggs and poultry, 8.1 percent; clothing, 1.0 percent; and educational and recreational articles, equal to those in 1983.

Some results were achieved in reforming the commercial system, a multi channel commercial system with fewer intermediate links was formed initially, and economic results were improved somewhat. The profits gained by commercial departments in 1984 increased by 12.59 percent over the previous year. Circulation cost rate was 10.29 percent, a 0.1 percent increase over 1983. The turnover period of working funds was shortened to 167 days in 1984 from 175 days in 1983. The profits gained by supply and marketing cooperatives decreased by 22.48 percent from 1983; but their circulation cost rate rose by 0.44 percent, and the turnover period of their working funds extended by 12 days.

6. Foreign Economic Relations and Trade and Tourism

The 1984 total value of imports and exports came to \$109.12 million, a 21.1 percent increase over 1983. The total value of exports was \$78.95 million, a 38.2 percent increase over 1983. The total value of imports came to \$30.17 million, an 8.3 percent decrease from 1983. Among the exported commodities, the proportion of grain and oil foodstuffs dropped by 5.6 percent from the previous year, that of textile products increased by 26.1 percent; that of light industrial products increased by 1.9 percent; that of machinery industrial products decreased by 18.2 percent; and that of local and livestock products increased by 103.1 percent.

The tourism industry made further progress. A total of 23,000 people from 25 countries and regions came to Nei Monggol Region in 1984 on tours and visits

and on trade, sporting, scientific, and cultural exchanges. There were 12,000 foreigners and 11,000 overseas Chinese and Chinese compatriots from Hong Kong and Macao. The foreign exchange income from these sources was valued at 1.144 million yuan, a 94.89 percent increase over 1983.

7. Science, Education, and Culture

Fresh progress was made in science and technology. In 1984, the number of research results in science and technology came to 122, of which, 41 were major research results. These research results included: The discovery of the dominant and male nucleus sterile gene of millet [gu zi xian xing xiong xing he bu yu ji xin 6253 1311 7359 1840 7160 1840 2702 0008 5148 1015 0936], the breeding of the new variety of grassland red cows, the research of pathology of the infectious anaemia of horses, the research of using the sap of small Cathay poplars to cure the urological system disease and enteritis of domestic animals, the research of afforestation technology at arid loess hilly land, the experiment of sowing forage grass seeds with planes in Otog Banner, the research of the pi mao gong chen fei [4122 3029 1562 1057 5151], the feasibility study of the technology of making paper with the skin of sun-flowers, the appraisal of the effectiveness of the No 15 liver medicine, and the assembly-style shed for the 9H2 series activities [9 H2 xi lie huo dong zhuang pei shi peng quan 4762 0441 3172 0520 5944 6793 1709 2766 0946].

The number of scientific and technological personnel in state-owned units at the end of 1984 reached 136,000. Of this, 24,000 people from minority nationalities, retaining the level of 1983.

New progress was made in the educational undertakings thanks to accelerating the pace of readjustment and reform. The quality and quantity of institutions of higher learning were improved thanks to various methods in running schools at different levels. In 1984, 84 postgraduates were taking courses for master's degrees and 211 students were enrolled in research institutes. Some 7,192 students were enrolled in institutions of higher learning in 1984, or 298 more than in 1983. These schools had a total enrollment of 24,477 students, or 3,005 more than in the previous year. A total of 4,431 students graduated from these schools, a drop of 634 from the previous year. The enrollment in adult higher education institutions was 28,469 students. A college examination system for the self-taught has been acclaimed. Hundreds of thousands of people attended the college examination for the self-taught. This new trend will play a positive role in improving the quality of our region's population.

Restructuring continued in secondary education. The enrollment in regular senior high schools was 177,800 students, an increase of 4,300 over the previous year. The enrollment in middle schools was 199,300 students, an increase of 39,500 over the previous year. The enrollment in secondary specialized schools was 35,200 students, an increase of 3,800 students over the previous year. The enrollment in agricultural and animal husbandry middle schools and middle schools for staff and workers was 65,100 students, an increase of 36,400 over the previous year.

New progress was made in primary school education. The enrollment in primary schools was 2,619,300 students, an increase of 12,400 over the previous year. A total of 185,700 children entered kindergartens.

In the course of conducting the construction of socialist spiritual civilization, new achievements were made in cultural, press, radio, and television undertakings. In 1984, 3 feature films were produced and films dubbed in the Monggol language reached 28. Various kinds of film projection units reached 3,683. There were 154 performing art troupes. Of this, 80 were red cultural troupes. The region had 104 cultural centers, 93 public libraries, 2 museums and 123 archives. The region had 10 radio stations, 47 radio transmitting and relay stations, and 9 television stations. A total of 126 million copies of regional, league, and city newspapers were published. A total of 89.38 million magazines of all kinds and 12.63 million books and pictures were published.

8. Public Health and Sports

Public health work continued to improve. At the end of 1984, the number of hospital beds in the region reached 50,000, an increase of 2.76 percent over the corresponding period of last year. The number of professional health workers reached 85,200, an increase of 2.77 percent over the previous year. Of this, 34,900 were doctors, an increase of 4.49 percent over the previous year.

Mass sports activities were extensive. A total of 1,108 sports meets were held at the banner and county level and above.

9. People's Livelihood

The living standards of urban and rural people improved following the development of the region's economy. A sample survey of 1,020 peasant households throughout the region showed an average annual net income per capita of 336 yuan in 1984 (of which 312 yuan came from production and business activities and 24 yuan represented the cash and materials sent or brought back by people living outside the region and the subsidies issued by the state), showing a 14.25-percent increase over 1983. According to a sample survey of 103 herdsman households in the region, their per capita net income reached 573 yuan in 1984, a 7.9-percent increase over 1983. According to a sample survey of 540 households of urban workers and staff members, their 1984 per capita income which could be used for living expenses was 529.4 yuan, an increase of 15.17 percent over 1983.

Following the improvement of their living standards, people in both urban and rural areas had more high-grade durable consumer goods. Calculated on the basis of per 100 households, urban residents had 49 washing machines, an increase of 13 over 1983; 72 televisions, an increase of 11; and 26 recorders, an increase of 6. Averagely per 100 peasant households had 84 bicycles, 3 fewer than 1983; 63 sewing machines, the same as 1983; 97 wrist watches, 9 more than 1983; and 7 televisions, 3 more than in 1983. Among herdsman households, per 100 households had 44 bicycles, an increase of 10 per 1983; 73 sewing machines, an increase of 3; 254 wrist watches, an increase of 39;

6 motorcycles, an increase of 1; 6 wind-driven power generating machines, an increase of 5; 6 televisions, an increase of 4; and 34 recorders, an increase of 12.

In 1984, a total of 199,000 people in urban areas of the region were given jobs. By the end of the year, the number of staff members and workers throughout the region reached 3.046 million, an increase of 110,000 over 1983. The annual wages of staff members and workers in the region totaled 2.928 billion yuan, representing an 18.1-percent increase over 1983. Of which, bonuses and payments for work above quotas totaled 310 million yuan, a 37-27-percent increase over 1983. The average annual monetary wage for staff members and workers in the region was 986 yuan, an increase of 14.38 percent over 1983.

Savings deposits of the people in both urban and rural areas continued to increase. The total amount of savings deposits in urban and rural areas of the region reached 2.183 billion yuan in 1984, an increase of 24.6 percent over the year-end figures of 1983.

The work to support the people whose livelihood were not assured was strengthened. In 1984, the number of the homes for the aged in rural and pastoral areas totaled 784, 121 more than in 1983. They supported 9,708 people, 24.25 percent more than in 1983. There were 17 social welfare institutes and children's welfare institutes in urban areas, an increase of 4 over 1983. They took care of 654 people, fewer than in 1983.

10. Population

Calculating on the basis of a population sample survey, the region had a population of 19.87 million by the end of 1984, showing an increase of 320,000 over 1983. The birth rate was 18.87 per thousand, the morality rate was 5.47 per thousand, and the natural growth rate 13.4 per thousand.

Note: The total production value of the society is the sum of the total output value of industry, agriculture, the building trade, communications and transport, and commerce (including the supply and marketing of materials and equipment and public catering trade). National income is the sum of the net output value of the five above-mentioned material production departments. All figures for gross national production, total industrial and agricultural output value, industrial output value, agricultural output value, and national income cited in this communique are calculated at 1980 constant prices.

CSO: 4006/495

PROVINCIAL AFFAIRS

OUTLINE FOR HEBEI PROVINCIAL GOVERNMENT WORK IN 1985

HK201041 Shijiazhuang HEBEI RIBAO in Chinese 18 Feb 85 p 1

["Guidelines for the Work of the Hebei Provincial People's Government in 1985 (13 February 1985)"]---passages within slantlines published in boldface]

[Text] In the course of great social reform, the people of the whole province have rung out the year 1984 in which we advanced with giant strides and have run in 1985, a year of all-round reform. We have achieved remarkable successes in the work of all fronts in Hebei in 1984. The political and economic situation has been excellent, creating many favorable conditions for all fields of work to advance with bigger strides in 1985.

The Main Tasks and Guiding Ideology for the Work in 1985

1. The year 1985 is the last year of the Sixth 5-Year Plan and the first year for implementing the "Decision" of the 3d Plenary Session of the 12th CPC Central Committee on restructuring the national economy, with the focus on the urban economy. /The general guiding ideology for the work of the whole province is/: Continue to emancipate minds, seek truth from facts, "open the door wider to the outside and boldly enliven the domestic economy," persist in simultaneously grasping the building of material and spiritual civilization, do a good job of all-round reform, and speed up the development of the economy centered on the strategic objective of "Quadrupling and of attaining the comparatively well-off level" so that Hebei's work can rank in the forefront with other provinces, municipalities, and autonomous regions.

2. /The main tasks of the work of the whole province are/: Actively and steadily restructure the national economy, with the focus on the urban economy, further develop the productive forces, and enliven the economy. Speed up the pace of technical transformation of the existing enterprises, vigorously develop processing industry, and develop new products; control the investment scale of fixed assets to ensure the key construction projects, readjust the rural production mix and expand market regulation; vigorously develop the commodity economy and run town and township enterprises; pay close attention to the production of the means of consumption and accelerate the development of tertiary industry; adhere to the open-door policy and do a good job of introducing advanced foreign technology and carrying out economic and technical cooperation; expedite scientific and technological progress and the

training of talented people and exploit intellectual resources; continue the building of socialist spiritual civilization; and appropriately draft the Seventh 5-Year Plan. Ensure the coordinated, sustained, and steady development of the national economy on the premise of attaining better economic results, fulfill all the tasks set by the Sixth 5-Year Plan, and create conditions for the Seventh 5-Year Plan and the economic upswing in the following 10 years.

3. /The main economic targets for 1985 are/:

The total output value of agriculture should increase by 6 percent over 1984 and the grain and cotton purchase quotas should be fulfilled according to the state plan.

The total output value of industry should increase by 8 percent over 1984. According to the plan, 110 kinds of new products will be developed and 450 kinds of fine quality products will be created for the province and 20 kinds for the state.

In finance, the revenue plan for 1985 assigned by the state is 4.1 billion yuan, an increase of 8.2 percent over 1984.

In commerce, the sales volume of social commodities should reach 20 billion yuan, an increase of around 20 percent over 1984. The volume of foreign trade and export should amount to \$1.597 billion, an increase of 120 percent over 1984.

In science and technology, arrangements will be made for tackling 54 scientific research projects and 235 topics.

In education, enrollments in ordinary institutions of higher learning and full-time special secondary schools should increase by 15 and 26 percent respectively.

In family planning, the rate of population growth should be kept within 11 per thousand.

In 1985, new successes should also be achieved in the work of public health, physical culture, radio, television, press, publication, and culture and art.

The Focus of Work in 1985

Our work in 1985 should be centered on implementing the Decision of the CPC Central Committee on Reform of the Economic Structure, defining the main target in light of Hebei's actual situation, making breakthroughs at focal points, and promoting the work as a whole.

4. /Unflinchingly delegate the "six powers" to the lower levels and accelerate the all-round restructuring of the urban economic system centered on invigorating enterprises./

A. The key to invigorating enterprises lies in separating government from enterprise functions, simplifying administrative procedures, and delegating power. According to the stipulations of the "Decision," the "six powers" of enterprises should all be directly delegated to enterprises. Government departments at all levels responsible for economic affairs should not hesitate or try to put up obstacles under any pretext, but should straightforwardly delegate power to the grassroots levels. From now on, the government departments responsible for economic affairs, whichever level they may be, must not be allowed to directly manage the enterprises. The eight functions of the government organs in managing the economy should be conscientiously implemented. In addition, the government organs should concentrate their energy on exercising macrocosmic control and on strengthening guidance, planning, coordination, supervision, and services.

B. The administrative and semi-administrative companies must be thoroughly reorganized. The companies or corporations reorganized from government economic management departments should genuinely become economic entities, carry out independent operation and accounting, and assume sole responsibility for their profits and losses. All companies should register with the industrial and commercial bureaus and taxation departments, open accounts in the banks, and obtain legal status.

C. It is necessary to implement the system of factory directors (managers) assuming full responsibility, provide the directors with competent assistants, establish a forceful production management policy decision command system, and practice scientific management and unified leadership. Enterprise managers should learn to exercise and correctly apply the "six powers" and enliven the production and operation of enterprises. Large- and medium-sized enterprises should establish the "three-in-one" management system which consists of scientific research, production, and marketing.

D. The "shock wave" of enterprise reform has exerted an influence over the planning system, the pricing system, the finance, labor, and wage system, and administrative management organs. These departments should carry out corresponding reforms in a planned and step by step manner. The provincial CPC committee and government have decided to popularize the experience of Shijiazhuang City in carrying out comprehensive reforms. All localities and departments should refer to Shijiazhuang's experience, boldly make explorations, and blaze new trails.

5. /Speed up the technical transformation of existing enterprises and promote the development on the entire industry./

A. The stress in technical progress and technical transformation should be put on large and medium-sized enterprises, upgrading equipment, inviting talented people, introducing advanced technology, and improving operation and management. Special attention should be paid to the three big trades of textiles, pottery, and pharmacy. Centered on upgrading the products, the four links in the textile industry including raw materials, carding, weaving, and dyeing must be grasped and efforts should be made to transform and upgrade the equipment, introduce new technology, and develop new and increased varieties

of cotton fabrics. The product mix of ceramics should be readjusted according to the changes in international and domestic markets. It is necessary to vigorously develop industrial and sanitary porcelain and earthenware for garden and daily use. The quality of these products must be improved and they must be sold mainly in the domestic market. Meanwhile, it is necessary to study the development trend of international ceramics, constantly develop new products, and expand the sale of our products in international market. The stress in pharmacy should be put on the technical transformation of Huabei pharmaceutical factory and a number of backbone enterprises. It is necessary to make the most of the Anguo medicine base to produce and process Chinese medicine so as to turn Anguo into a medicine distribution center in northern China.

B. It is necessary to vigorously develop mining industry and the processing industries of food, fodder, and building materials. The stress in the food processing industry should be put on traditional, popular, and medium-class food and on developing fast, convenient, and ready-made food so as to alleviate housework. Meanwhile, it is necessary to increase the production of nutritious, tonic, and high-class food. In this respect, the initiative of the state, the collective, and the individuals should all be encouraged and concerted efforts should be made between the urban and rural areas. It is necessary to support the specialized households and villages engaged in the food processing industry so as to transform grain on the spot. In feed-processing industry, it is necessary to process, comprehensively utilize, and make full use of Hebei's abundant natural resources such as grain, cake feed, straw, industrial waste residue, leftover bits of food, and so on. Large, medium, and small sized feed-processing factories should be combined, with the stress on medium and small-sized factories. County levels should set up small feed-processing factories and speed up the development of fodder. The development of feed-processing industry should be the factor for developing animal husbandry and more grain should be transformed into meat, eggs, and milk, thus promoting the change of the rural production mix and improving the people's diet. In the processing industry for building materials, close attention should be paid to the production, excavation, and processing of glass, cement, and marble, the import of advanced technology and equipment, output increase, and quality improvement. The places which have abundant mineral resources should, under unified planning, attach importance to the exploitation of coal, iron, and gold mines.

C. The development of light industry and household electrical appliances. The stress in light industry should be put on developing the means of consumption needed by the urban and rural people, such as garments, plastic products, paper making, food, cigarettes, wine, and so on. It is necessary to speed up the production and exploitation of color television sets, radio cassettes, washing machines, refrigerators, air conditioners, and other household electrical appliances. Meanwhile, it is also essential to coordinate the production of high, medium, and low grade goods, improve the quality of products, create fine quality famous brand goods, and enhance the competitiveness of these products.

D. The strengthening of energy building. It is necessary to pay close attention to the expansion of large power projects, complete the projects and generate power as quickly as possible, and enhance the capacity of power generation.

The masses should be mobilized to build small thermal power and hydropower stations. In addition, the building of solar, methane, wind, and other new energy resources should be enhanced.

E. The acceleration of the building of communications. Centered on the exploitation of Yanshan and Taihangshan, the methods of the masses pooling funds and the people running undertakings with public subsidies should be adopted to speed up the building of mountain highways. Vigorous measures should be taken to improve the traffic highways to Shanxi and Nei Monggol. The completion of the reconstruction project of the coal transport lines from Qinhuangdao to Datong and from Shijiazhuang to Yangquan should be guaranteed. Concerted efforts should be made with the army to open air transport routes. In addition, sea transport should also be developed. The building of communications should suit the developing needs of economic and technological development for information. Communications between Shijiazhuang and other prefectures and cities should be improved as quickly as possible. Meanwhile, it is necessary to speed up the import and construction of the communications projects in Shijiazhuang and Qinhuangdao cities.

6. /Vigorously build town and township enterprises and develop commodity production./

In order to realize the objective of quadrupling and attaining the comparatively well-off level, it is necessary to mainly rely on the vigorous development of town and township enterprises (including enterprises run with funds raised individually or jointly by the peasants) and strive to make a major breakthrough this year.

A. Tap new sources of production and "attach simultaneous importance to the eight trades." In accordance with the principle of learning from others' strong points to offset one's weaknesses, making the most of one's advantages, giving classified guidance, and making breakthroughs at focal points, measures should be taken to vigorously develop farming, animal husbandry, mining, processing industry, transportation, service trade, building industry, and small scale energy projects in line with local conditions.

B. In developing town and township enterprises, the initiative of the state, the collective, and the individual should all be encouraged. Provided conditions permit, the specialized households and peasant individuals must be given a free hand to run enterprises. Town and township enterprises should concentrate their efforts on improving product quality, producing fine quality goods of distinctive characteristics, and enhancing the competitiveness of products. The manufacturing of low, medium, and high grade products should be coordinated and they should be sold at small profits which can bring about a quick turnover.

C. In developing town and township enterprises, the attractive and central role of cities must be brought into full play. Urban areas should organize large enterprises to provide the rural areas with more means of production and livelihood, science and technology, talented people, and information and give town and township enterprises the opportunity to develop the labor intensive industries which are not suitable for the urban areas. The rural areas

should develop processing industry for urban enterprises and should serve urban production and life. It is necessary to remove the barriers between different regions and departments, carry out economic and technological cooperation, and establish a new type of socialist production mix at various levels between the urban and rural areas which shares out the work and promotes cooperation between them.

D. The building of small towns must be accelerated. It is necessary to build a number of small towns, which combined the urban and rural areas and the characteristics of workers and peasants, in a planned and step by step manner. The stress should be put on restoring and developing the existing small towns and the large market towns which have begun to take shape. The cities such as Langfang, Potou, Hengshui, and Shengfang and the county seats such as Renqiu, Gaobeidian, Xinji, and Nangong should be developed into new small cities as quickly as possible. All trades and professions should offer support in terms of funds, equipment, talented people, technology, and so on for the development of small towns.

In line with the principle of "unified planning, rational distribution, the masses raising funds, and the army and people jointly building small towns" or "accomplishing the building of small towns at a fixed date with self-raised funds and self efforts," a number of new market towns with special characteristics should be built. The forms must vary and not stick to one pattern.

E. Do overall service work well for the development of town and township enterprises. It is necessary to exercise management over the implementation of principles and policies and do well the work of information, technology, talented people, consultative service, advertisement, funds, equipment, materials, motive power, and businesses on an energy basis. It is essential to strengthen management over the financial affairs of town and township enterprises. The economic benefits of specialized households and town and township enterprises should be protected by law and it is impermissible to practice egalitarianism, transfer and retain their funds and materials, and indiscriminately exact charges.

7. /Further readjust the rural production mix and give classified guidance./

The focus of rural work is to conscientiously implement the "Ten Policies of the CPC Central Committee and the State Council on Further Enlivening the Rural Economy" (Central Document No 1), further reform the rural economic management system, extend the scope of market regulation, readjust the rural production mix according to market demands, vigorously develop and perfect the rural cooperation system, and take the road of joint operation between agriculture, industry, and commerce and increasing value by means of processing.

A. Readjust the agricultural structure according to market demands and natural conditions. It is necessary to continue to implement the principle of "never relaxing on grain production and vigorously developing diversified economies." In places suited to grain growing, the stress should be laid on readjusting the grain varieties and increasing the yield per unit area and the varieties of fine quality grain. The sown area of cotton and maize should be

moderately reduced and diversified economies should be vigorously developed instead. In places not suited to grain growing, crops suited to the area and needed by the market should be grown in line with local conditions.

B. The advantages of abundant grain, particularly maize, should be fully utilized to support and accelerate the development of the animal husbandry and aquatic products industries. The stress should be put on developing pigs, poultry, cattle, sheep, fish, shrimps, and shellfish and on relying on advanced technology to breed pigs that can provide lean pork. Each prefecture should have one or two pig-raising base counties. In developing animal husbandry, it is necessary to rely on "scientific raising and comprehensive processing," doing well the breeding of fine varieties and epidemic prevention, making farming, animal husbandry, processing, storage and transportation a coordinated process, and carrying out agriculture-industry-commerce joint operation.

C. Develop secondary and tertiary industries and allow more rural labor force to shift from farming to other fields. Where conditions permit, light industry, mechanical and electrical industry, chemical industry, and other modern industries can also be developed to promote the rural economy to develop toward specialization, commercialization, and modernization.

D. Provide appropriate guidance according to the province's division of "areas of eight types," make the best use of their superior conditions, and effect breakthroughs in major areas. The Bashang uplands should vigorously devote the land previously used for cultivation of crops to animal husbandry and forestry, speed up the building of grasslands, and, while stressing the development of animal husbandry, gradually build bases for the production of commodities and animal products; the Yanshan mountain areas and the Taihangshan mountain areas should focus their attention on forestry, the growing of fruit trees, mining, animal husbandry, and the growing of trees and grasses, and combine the growing of trees with the growing of shrubs and grasses. The remote mountain areas within these two areas should make their forestry policies still less restrictive, improve the conditions in the small river basins, apply the system of overall contracted responsibilities, and increase the number of major contractor-households, with each undertaking a specialized job and some diversification; the Eastern Hebei plains should simultaneously develop agriculture, animal husbandry, and the keeping of domesticated animals in order to gradually establish an economic system which combines agriculture, animal husbandry, industry, and commerce with trade and which corresponds with the urban development of Beijing, Tianjin, Tangshan, and Qinhuangdao; the plains on both sides of the Beijing-Guangzhou Railroad should comprehensively develop agriculture, animal husbandry, forestry, sideline production, and fishery and build bases for the production of wheat and some other commodity grains; the Heilonggang areas, in addition to paying close attention to grain production, should also focus their attention on cotton production and the utilization of cotton products and vigorously develop processing industry; the coastal plains should vigorously develop deep-sea fisheries, the production of marine products, and salt chemical industry and vigorously develop the beaches; and the areas surrounding Beijing and Tianjin should grow more vegetables, keep more pigs, and step up the production

meat, eggs, and milk in order to serve Beijing and Tianjin. In addition, these areas, by "combining the import of advanced technologies with internal economic association," enthusiastically cooperate with Beijing and Tianjin in making processing industry a success and in giving impetus to the development of commodity production.

E. Properly help the poor. In the Bashang uplands, the remote mountain areas within the Tianhangshan and Yanshan mountain areas, and the resettlement areas near the reservoirs, conditions for production are unfavorable, commodity production is not developed, and the peasants' problem of food and clothing has yet to be solved. It is necessary to specifically help these areas and to provide them with the necessary credit funds and goods and materials. What is even more important is to give them policies to follow, to offer them opportunities, to import technologies, to recruit gifted people, to provide them with information, to further restructure agriculture, to change the production patterns, to thoroughly utilize the natural resources, and to extensively develop production and commodity production. In this way, we can help the people living in these areas become rich quickly.

/8. Pay close attention to increasing revenue, cutting expenditure, making up deficits, and increasing surpluses in order to further improve the financial situation./

A. The focus of financial work is the creation of wealth. It is necessary to straighten out the guiding ideology underlying our work, to back up production, to find more financial sources, and to increase revenue. Everyone should learn to manage money matters until the people and the province are truly capable of managing their own financial matters.

B. Reform the finance system. The province is to "determine the kinds of taxes to be collected from the prefectures, check their revenue and expenditure, and assign contracted responsibilities to units on various levels." All this is to be effective for 5 years. We can choose several counties and ask them to assume, on a trial basis, contracted responsibilities for progressive increase of revenue. It is necessary to encourage hard-working people, to punish lazy people, to encourage people to increase revenue and cut expenditure, and to fully arouse people's enthusiasm.

C. Devote still greater efforts to taxation work. Continue to devote vigorous efforts to publicizing taxation work, discard the ill-conceived idea of "leniency," and collect taxes according to the laws. Taxes are not to be reduced or remitted at will. Comprehensively inspect taxation work at regular intervals, strictly prevent people from evading payment of taxes, and collect all the taxes that should be collected.

D. Pay close attention to making up deficits and increasing surpluses. The 144 enterprises which are losing money should adopt resolute measures to make up deficits and increase surpluses as soon as possible. The finance departments must not subsidize and the banks must not extend loans to those enterprises which have for long been incapable of making up deficits and we should resolutely close them down, suspend their operation, amalgamate them with other

enterprises, or switch them to the manufacture of other products. The 41 counties receiving subsidies should discard the idea of unabashedly receiving subsidies, learn to manage money matters, devote vigorous efforts to making commodity production a success, find more sources of income, increase revenue, cut expenditure, keep expenditures within the limits of income, and become self-sufficient within a definite time.

E. Pool funds to ensure the key construction projects. This year's newly-added financial strength is to be primarily used to reform the wage system and readjust the prices. The remainder is to be used in three areas: First, the exploitation of intellectual resources, including scientific research, education, and the training of cadres; second, the construction of basic facilities for telecommunications; and third, improvement of transportation conditions, the building of highways, and railroad transportation, with priority being given to the construction of highways in the remote mountain areas.

Control investment in fixed assets and concentrate efforts on fighting battles of annihilation [Jian Mie Zhan--- 3005 3319 2069]. Reform the system governing capital construction and comprehensively popularize the system of inviting tenders and various contract systems. Thoroughly complete the construction of these projects "which have dragged on for a long time," put an end to the practice of investing money in "projects requiring endless investment," and make investment yield the best possible results.

F. Strengthen auditing and financial supervision. Audit and finance departments at various levels should conscientiously assume the responsibility for overall economic supervision and devote vigorous efforts to supervising the finance of those enterprises which have surpluses or deficits and those which have large amounts of income or expenditure. Rigorously enforce the economic and financial regulations. Nobody is allowed to withhold state revenue, indiscriminately apportion costs (expenses), or squander funds. It is necessary to apply economic sanctions and to take disciplinary measures against the units which have seriously violated economic and financial discipline and those held responsible.

/9. Speed up the reform of the circulation system, open up markets, and do a good job of commodity circulation./

A. Continue to restructure commerce and develop multichannel wholesale business. Small commercial enterprises and services should be "owned by the state and run by collectives." They should directly become collective enterprises or be operated by individuals on lease. Continue to develop the collective and individual commercial undertakings, enthusiastically encourage the peasants to start their business in the cities and towns, establish small enterprises, and develop tertiary industry.

B. Open up markets, take our province as our base, keep the whole country in view, and try to find a place in the world. Attention should be focused on building jointly-operated wholesale or retail stations in the provinces and autonomous regions in North China, the Northeast, and the Northwest. We should

go to the mountain areas, the small cities and towns, and the rural areas to find markets and try our best to withdraw more currency from circulation.

C. Establish and properly manage trade centers of all types. It is necessary to simultaneously develop wholesale and retail business, and the distribution, marketing, storage and transportation services. While specialization is preferred, diversification is also encouraged. Find good markets and revitalize the exchange of goods and materials between the province and other parts of the country.

D. It is necessary to thoroughly reform the supply and marketing cooperatives, to speed up their transition from "government-run" units to "non-government-run units" and from commercial units to service units, to break the bounds of different trades and different departments, and to increase facilities and the number of service stations in order to turn them into service centers which buy, process, store, transport, and promote the sales of products. In addition, it is also necessary to conscientiously do a good job of the contracted procurement and sales of cotton.

E. Strengthen price and market administration. Prices should be cautiously and appropriately readjusted in strict accordance with the unified arrangements made by the central authorities and the State Council. It is necessary to take small steps, to review what we have done, and to look around before we take the next step. The localities are not to readjust prices or to handle the related problems without the approval of the provincial government. The price departments and the departments responsible for industrial and commercial administration should properly perform their function of supervising and inspecting economic activities, resolutely check the unhealthy tendencies such as the illegal purchase of state-controlled goods and materials, the illegal reselling of goods, and price hikes, resolutely crack down on speculation and fraud, severely handle those who infringe on the interests of consumers by faking trade marks, launching deceitful advertisements, or adulterating products, and uphold economic order in order to ensure that the reforms are smoothly carried out.

/10. Make a success of scientific and technological research and satisfactorily tackle key technological problems in order to serve economic construction./

A. It is necessary to stress that science and technology should cater to economic construction and needs of society, to focus scientific research on application, exploitation, and the provision of technological service, to speed up the application and popularization of scientific achievements, and to convert scientific achievements into direct productive forces as soon as possible.

B. Tackle the key technical problems in economic construction and pay close attention to the major scientific research projects. In regard to agriculture, it is necessary to devote greater efforts to scientific and technological research on the development of the Bashang uplands, the Taihangshan mountain area, the Yanshan mountain area, the Heilonggang area, and the coastal areas, to introduce high-yield fine new strains, and to develop new products. In regard to industry, it is necessary to focus attention on technical transformation, to pay close attention to the application and popularization of

microcomputers, to develop new products, and to introduce new technologies and new techniques to textile industry, ceramic industry, pharmaceutical industry, construction materials industry, food processing industry, fodder industry, energy industry, light industry, and the manufacture of household electrical appliances.

C. Speed up the reform of the system governing scientific research. Encourage the establishment of horizontal ties among scientific research units, the enterprises, the localities, and the institutions of higher learning, separate government administration from scientific research, delegate greater decisionmaking power to the research organs, and enthusiastically establish research-production combines of various types. They should be jointly operated by various trades, various departments, and various parts of the province.

D. Open the technologies market to the public, enthusiastically organize various types of technological exchange fair trades, develop the trade in technologies, speed up the conversion of technological achievements into commodities, identify talented people, give impetus to the planned mobility of talented people, encourage the advanced, and encourage the introduction of new products.

/11. Give impetus to the educational reforms, speed up the training of gifted people, and exploit the intellectual resources./

A. Make a success of the reform of higher education. Delegate greater decisionmaking power to the institutions of higher learning, tap their latent power, and increase the number of students enrolled. Make a further success of curricula restructuring, expand the departments whose graduates are in great demand, and, by accepting commissions to train people and providing specific training, train more gifted people for economic and social development.

B. Vigorously restructure secondary education and pay special attention to vocational and technical education. The counties and smaller areas should properly run the agricultural secondary schools and agrotechnical schools in order to prepare talented people for rural commodity production. The cities should speed up the restructuring of senior secondary schools, and establish various types of vocational schools to give people vocational training and to prepare people for tertiary industry. It is also necessary to pay close attention to preschool education.

C. Further perfect the reform of the primary and secondary education in the rural areas. We should, in the spirit of Document 174 issued by the State Council in 1984, find better ways of pooling funds, establish relatively permanent channels through which people contribute funds, improve the conditions for building schools, and strive to improve the quality of instruction.

D. It is necessary to regard the training of cadres and workers according to their professions as an important task, to pay special attention to training the cadres responsible for economic administration, and to train people according to demand and the needs of society. Vigorously develop vocational

and technical education and adhere to the principle of establishing all types of schools by all means in order to prepare more talented people for economic construction.

E. Properly run the teachers' colleges at all levels and those institutions which give teachers' post-qualification training, strengthen the teaching staffs, and raise teaching to the most respected and most enviable occupation in society.

/12. Continue to adhere to the open-door policy, cooperate with other parts of the country, and augment our economic and technological strength./

A. In adhering to the open-door policy and in internal cooperation, it is necessary to turn our face to the whole country and the whole world, to pay special attention to recruiting talented people, importing technologies and facilities, drawing in capital, and drawing on the experience of others in business management, and to make progress in the recruitment of talented people and the import of technologies.

B. It is necessary to more boldly open the province to the world and to initiate the economic and technological exchange between the province on one hand and Eastern Europe, the EEC, and Southeast Asia on the other. The economic and technological exchange between the province on one hand and the United States and Japan on the other should be focused on the import of advanced technologies from these two countries. The departments and enterprises should suggest the import of those goods which are of vital importance to technical transformation, select competent people with technological knowledge and knowledge of foreign languages, and send them abroad to conduct surveys in the appropriate fields and ship back what is good. Learn to do business with foreigners and strive for good economic results. Qinhuangdao should become an "outlet" in opening the province to the world. In the second half of the year, it is necessary to hold successful talks on international economic and technological cooperation and to strengthen the economic and technological cooperation between various parts of the province and between the province and other parts of the country. In the first half of the year, it is necessary to hold a grand symposium on internal economic and technological cooperation. The departments directly under the provincial authorities and the prefectural and city departments concerned should finish their preparations as soon as they can.

C. In opening the province to the world, it is necessary to take the road of "importation, digestion, development, and innovation" and to combine digestion with assimilation, adaptation, innovation, transfer, and reselling. In this way, the enterprises can always have new facilities and technologies, produce new products and the best economic results, and have the greatest competitive power.

D. Make foreign trade and export a success, develop the business of commission agencies, barter trade, and adaptive trade, combine the trade in industrial products with the trade in agricultural and technological products, and expand export. Organize the export of labor service, independently undertake constructive projects in foreign countries, and cooperate with foreign countries in terms of labor service in order to increase foreign exchange income.

/13. Lift the building of a socialist spiritual civilization onto a new plane./

A. Give the masses and cadres an education in patriotism, socialism, communism, and the revolutionary tradition which is focused on the strategic goal of "quadrupling output value and becoming well-off" and the reform of the economic structure, devote vigorous efforts to teaching people a sense of responsibility and occupational ethics and discipline, and carry out practical and effective ideological and political work. Enthusiastically advocate civilized, healthy, and scientific ways of living and the spirit of making progress and being enthusiastic, and teach people to have lofty ideals, to have the ambition to realize the four modernizations, to consciously devote themselves to the reforms, to boldly make innovations, to explore, to advance, to correctly handle the relations among the state, the collective, and the individual, to take the overall situation into consideration, and to contribute to the four modernizations with one heart and one mind.

B. Unremittingly give impetus to the building of civilized units, devote still greater efforts to those masses activities which are focused on the building of a spiritual civilization and the building of civilized units by the army and the people in cooperation, popularize, improve, and develop these activities, make them regular activities, and institutionalize them. In the rural areas, it is necessary to vigorously advocate the building of "households both materially and spiritually civilized," to convert the households doing specialized jobs into spiritually civilized households and the spiritually civilized households into households doing specialized jobs, and to build "materially and spiritually civilized villages and township." The localities should suit measures to local conditions, meticulously organize activities, and pay attention to the actual effects.

C. Give the cadres and the masses an education in the legal system, reinforce their idea of the legal system, and arouse their enthusiasm for combatting criminal activities. Continue to severely crack down on serious criminal offenses and economic crimes, devote greater efforts to improving order comprehensively, properly help and educate juvenile delinquents, improve the quality of the cadres doing political and legal work, and "act strictly according to the laws, strictly enforce the laws, and strictly handle those who have violated the laws without exception" in order to bring about a turn for the better in social order.

Meticulously Give Guidance, Change the Style, and Increase Efficiency

/14. In 1985, all the province's work should serve and be subordinate to the general task and the general goal./

Organize the cadres and the masses in the rural and urban areas of the province to discuss comprehensively and in an in-depth manner the problem of becoming rich and "well-off by quadrupling output value," combine the attainment of the goal of "quadrupling the industrial and agricultural output value" with the local conditions, organize different kinds of activities which are aimed at the quadrupling of industrial and agricultural output value, and set specific yearly

objectives. All units should pay special attention to discussing the problem of quadrupling the industrial and agricultural output value in the rural areas and all villages, households, and individuals should one by one implement their plans and measures for quadrupling output value and becoming rich. We can, through this grand discussion, make the people even more familiar with the magnificent goal of "quadrupling the industrial and agricultural output value" and turn it into the conscious action of the people of the whole province as well as a strong motive force which gives impetus to the province's economic development.

/15. Reform the administrative organs and increase efficiency./

It is necessary to correspondingly reform, according to the government organs' function of managing the economy as stipulated in the "Decision" of the 3d Plenary Session of the 12th CPC Central Committee, on the basis of the principle of serving the people, streamlining, unifying, and being efficient, and in a planned and step-by-step manner, the existing administrative organs, to resolutely streamline the organs, and to reduce the number of their staff members. Departments doing more or less the same things should merge, provisional organs should be abolished, and those organs which can be converted into economic entities should be so converted into economic entities should be so converted in order to make administration and management scientific, institutionalized, and modernized and to raise administrative efficiency.

The establishment of administrative organs should not be restricted by outmoded patterns and an administrative system which serves the people should be established. In view of the needs of economic development, some departments should expand and be strengthened and reinforced. It is necessary to have an authoritative general department to be responsible for reinforcing the research into the strategies for economic development and to provide a scientific basis for overall decisions. It is necessary to establish a highly efficient administrative organ to be responsible for enforcing the open-door policy, making overall preparations for opening the province to the world, and coordinating the cooperation between the province and other parts of the country. The work of those departments which perform the function of supervising and directing the economy, such as the finance, taxation, audit, and price departments, the departments responsible for industrial and commercial administration, and the banks, should be strengthened, not weakened. Devote greater efforts to economic legislation and statistical work.

Continue to strengthen the building of an information-feedback system. Governments and government departments at all levels should establish perfect information-feedback systems, strengthen their vertical ties with the prefectures, cities, and counties and the horizontal ties among the organs directly under the provincial, prefectural, city, and county authorities, and establish horizontal ties with our brother provinces, cities, and autonomous regions in order to form an interlocking information network. Pay close attention to the major political trends abroad as well as to economic, scientific, and technological information, pay close attention to studying the reliability and systematicness of data and the tendencies revealed, and gather, accumulate, and sift data in order to make the transmission of information

speedy, timely, flexible, accurate, and highly efficient and to lift the work concerning information and information-feedback onto a new place.

Strengthen the "brain trusts" and the advisory organs. Leading organs at all levels should pay close attention and give play to their role. Augment the strength of the "brain trusts" and steadily improve their quality in order to most satisfactorily use collective wisdom, to formulate the best plans, and to provide a reliable scientific basis for decisionmaking.

/16. Strive to improve the quality of the cadres./

Stress the need for cadres to study, to study the party's line, principles, and policies, to acquire a knowledge of modern economic management and technological and scientific knowledge, and to learn something about the social and natural sciences. At present, it is necessary to pay special attention to studying the "Decision" of the 3d Plenary Session of the 12th CPC Central Committee for this study is the most vivid and most practical study of Marxism. It is necessary to regard this as a basic task.

It is necessary to re-educate the cadres to wholeheartedly serve the people and to bear in mind that the purpose of our party is to lead the people to fight, to make the country powerful, and to make the people rich. This is the most important criterion for assessing the awareness, performance, and competence of the cadres. It is necessary to consciously check and correct the new unhealthy tendencies that have come into existence under the new circumstances brought about by the reforms and to resolutely check the party and government organs' and their cadres' practice of starting their own business, illegally purchasing those state-controlled goods and materials that are in short supply, illegally reselling commodities, violating policies, indiscriminately raising prices, disrupting the socialist economy, and infringing on the interests of consumers by capitalizing on their powers and the tendency to recklessly distribute premiums and material goods under all sorts of pretexts. It is necessary to make disciplinary measures against the offenders and to find out which leaders are to blame if the case is serious. Extravagance, exaggeration, formalism, and other unhealthy tendencies are surfacing in some parts of the province. It is necessary to be on guard against them and to resolutely correct them on discovery.

Strengthen the building of the leading bodies of governments at all levels and boldly recruit into the leading bodies those cadres who are in their prime, who are well-educated, who are upright, who have the courage to explore and advance, and who are good at helping the masses become rich, and let them shoulder the important task of directing the four modernizations.

/17. Improve the styles and pay attention to the art of leadership./

It is necessary to emphasize the need to go down to the grassroots units, to conduct investigations, to be among the people, to practice, to study new situations, to discover new problems, to summarize fresh experience, to guide the people with models, and to direct the overall situation.

Adhere to the ideological line of seeking truth from facts and basing ourselves on the actual circumstances, be honest in words, do not exaggerate, do things in a down-to-earth manner, discard formalism, be honest in deeds, and do not enjoy undeserved reputation. It is necessary to work hard and in a down-to-earth manner in order to bring about a new situation in all the province's work in 1985.

CSO: 4006/495

PROVINCIAL AFFAIRS

PROVINCIAL ECONOMIC WORK CONFERENCE ENDS 20 MARCH

SK220720 Jinan Shandong Provincial Service in Mandarin 2300 GMT 21 Mar 85

[Excerpts] The provincial economic work conference ended on 20 March. It pointed out that this year, the provincial industrial, communications, financial, and trade fronts should carry out economic structural reform and all other work around the central link of invigorating enterprises, particularly large and medium-sized enterprises, should strive to raise economic results in production and in the circulation sphere, should achieve increases in industrial production, taxes, profits, and financial revenue, and should comprehensively fulfill the annual state target.

The conference stressed: We should consider invigorating the large and medium-sized enterprises in this year's main task in the economic structural reform and as a key measure for enlivening the province's economy. The key to invigorating the large and medium-sized enterprises lies in keeping our eyes on our own potential. We should prominently grasp the following points well:

1. Guide system reform well and speed up the popularization of the system that charges factory directors with full responsibility, and do a good job in selecting plant chiefs.
2. Enterprises should be managed and operated more flexibly. We should turn production management organs into operational and developmental management organs and change single-product operations into multiple-product operations, single operations into multiple operations, and closed-door operations into open-door operations.
3. Formulate technical development plans and boost the development of products.
4. Actively promote the method of meting out the amount of wages according to individual's economic results.
5. Expand the scope of implementing the raw materials conservation awards system. The conservation awards will be counted individually and be included in the production cost.
6. Readjust the existing companies and develop lateral ties among enterprises.

The conference also made arrangements for this year's industrial, communications, financial, and trade work. It called for organizing industrial and communications production, actively developing daily consumer goods, speeding up the technical progress, extensively opening technical markets, actively promoting modernized enterprise management, attending to cadres training and workers' education, grasping financial and trade work, strictly controlling the circulation of currency, and boldly developing the tertiary industry.

CSO: 4006/495

PROVINCIAL AFFAIRS

COMMUNIQUE ISSUED ON ECONOMY, SOCIAL DEVELOPMENT

OW221236 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 19 Mar 85

[Text] According to a report by this station, the provincial Statistical Bureau issued a statistical communique today on Jiangxi Province's 1984 economy and social development. The communique used large amounts of data and figures to reflect the tremendous achievements scored by the people in our province over the past year in the aspects of agriculture, industry, fixed-asset investments, transport, posts and telecommunications, domestic commerce, foreign trade, province-to-province cooperation, tourism, science, education, culture, public health, physical culture, people's livelihood, and population. At the same time, it pointed out the existing problems in economic development.

The communique pointed out: In 1984, under the leadership of the party and the government, the people in our province further implemented the policy of opening to the outside world and enlivening the domestic economy, thereby bringing about a fine situation in the national economy rarely seen in many years. The total social output value for the year was 28.8 billion yuan, an increase of 12.4 percent over the year before; total industrial and agricultural output value was 22.151 billion yuan, an increase of 13.3 percent; income was 14.13 billion yuan, an increase of 11.5 percent; and public revenue was 1.52 billion yuan, an increase of 15.3 percent. Total industrial output value, total agricultural output value, income, total retail amount of social commodities, and the output of 32 industrial and agricultural products, including grain, cotton, and rolled steel, prefulfilled or exceeded the 1985 indices specified by the Sixth 5-Year Plan.

The communique pointed out: In 1984 our province reaped a bumper harvest in agricultural production, following 5 consecutive years of such harvests. Total agricultural output value was 9.012 billion yuan, an increase of 10.8 percent over the year before. The output of grain, cotton, sugarcane, tea, cocoons, pork, beef, mutton, and aquatic products were all at an all-time high. Total grain output reached 30.984 jin; and the per capita grain output surpassed 900 jin, an increase of 4.8 percent. The rate of increase of diversified economy was greater than that of the total agricultural output value and the total grain output value. The output value of diversified economy was 4.484 billion yuan, an increase of 15.9 percent. Industrial production increased steadily, and economic results continuously rose markedly. Total

industrial output value was 13.139 billion yuan, an increase of 15 percent over the year before, representing the greatest rate of increase in the past several years. Included in such increase was that of the town and village industrial output value at 24.8 percent, which greatly exceeded the rate of increase of the total industrial output value. The rate of development of light industry increased, and heavy industry rose continuously.

The communique pointed out: Last year there was ample supply of commodities in our province's urban and rural markets, and business in both purchases and sales was brisk. Sales of food, clothing, everyday articles, and other commodities increased comprehensively, with the total retail amount of social commodities reaching 8.169 billion yuan, an increase of 11.8 percent over the year before, the greatest annual increase rate in the past several years.

There was also an obvious breakthrough in the work of opening to the outside world, as 55 projects utilizing foreign capital were approved and \$20 million in capital may be imported. Contracts were signed for 60 projects involving technological imports, of which 20 were already put into production or into trial production. At the same time, a relationship of many-sided and multi-level cooperation was established with seven provinces and cities, including Shanghai and Jiangsu. Under the contracts signed for 220 projects, 238 million yuan of capital may be imported.

The communique pointed out: In 1984 the livelihood of the people in our province's urban and rural areas was again further improved. According to an investigation of samples selected at random, the yearly per capita net income of peasant families was 334.11 yuan, an increase of 10.7 percent over the year before; and the yearly per capita living-expense income of staff members and workers was 462.67 yuan, an increase of 13.5 percent, or an actual increase of 10.6 percent after deducting increases of their living expenses and price index. The residential conditions were further improved. The floorspace of residential areas completed for all-people [quan min 0356 0346] units throughout the year was 1.854 million cubic meters; and that of newly built peasant houses was approximately 26.5 million cubic meters.

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PROVINCIAL AFFAIRS

TIANJIN MAYOR ON WORKING FOR PEOPLE'S BENEFIT

SK190316 Tianjin TIANJIN RIBAO in Chinese 6 Mar 85 pp 1-3

[Tianjin Mayor Li Ruihuan's Speech on the 5 March Tianjin Municipal People's Government Plenary Session: "Raise the Work for the Benefit of the People to a New Level"]

[Text] Comrades:

Today is the 5th day of March--a memorial day for learning from Comrade Lei Feng. On this date, all municipal government personnel and responsible comrades of all relevant departments and various districts and counties are gathering together under the same roof to discuss major plans for improving the livelihood of the people this year. Such an act is very meaningful. We should study and promote Le Feng's spirit and exert efforts to raise the work for the benefit of the people to a new level. Next, I will touch on three points:

1. Conscientiously Sum Up Experience and Develop the Excellent Situation.

Last year, the municipal government decided to improve the livelihood of the people in 20 aspects and successfully completed such work through a year of exerted effort by the people across Tianjin. City functions were further enhanced, the city outlook was markedly changed, and the livelihood of the people showed new improvements. The broad masses of the people were satisfied with this.

Over the past few years, we have regarded doing real things for the people as the emphasis of our governmental work. We have grasped this work regularly, repeatedly, and firmly. Let us review our work from dismantling makeshift shacks and shanties to running commercial networks, carrying out the project to divert Luanhe water to Tianjin, building Haine Park, rebuilding old streets, building a food street, popularizing the "three small experiences," showing concern for the marriage of old unmarried men and women and their daily lives. All these are directly related to the livelihood of the people. We can say that we have talked a lot about the livelihood of the people and have exerted much effort in this regard. The reason why we have so prominently grasped this work is that it is the highest aim of the government on the one hand. And on the other hand, the masses of people really have many practical difficulties. If we fail to energetically solve their difficulties, it will be

impossible for them to exert real effort in the four modernizations program. In addition, if we fail to make them see and feel the concern of their leaders and the unceasing improvements in society and in their daily lives, they will not enhance their spirit, the prestige of their leaders will not be fostered, and their work enthusiasm will not be boosted. Years of facts have proved that showing earnest concern for the hardships of the people and doing real things for the masses are our main impetus and basic experience for consolidating and developing the city's excellent situation and for success in all work.

The masses of people are history creators. We should rely on the masses while managing affairs. However, it will be hard to manage things if the morale of the masses is low and inactive. Therefore, all units and leaders must study ways to solve problems concerning the feelings of the people if they want to manage their work well. Certainly, the masses will not have high morale and enthusiasm if they do not have a relatively good living environment and a safe social situation and if they do not have someone to help them solve practical difficulties and to show concern for them.

The masses need leaders. Without leadership, the enthusiasm of the masses will not last long or be boosted to a higher level. Leaders must win confidence from the masses. Without winning confidence from the masses, a leader cannot be called a real leader. Such confidence will not be given by leaders, and will not come from power, from one's boasting, and from one's petty tricks. Such confidence will be fostered only through enthusiastically, energetically and unremittingly doing real things for the people. "You manage things for us and we will support you earnestly." This is the simple language of the people because it summarizes many reasons for success and failure in work and reveals a profound principle. I hope that all our leading cadres at all levels will combine the reality of their work and conscientiously ponder this principle.

In the course of improving the people's livelihood, we achieved some good experiences and created some good practices. For instance, we found it effective to determine several big matters, that should be done, at the beginning of each year and make them public. In this way, first, leaders will have definite objectives and keep themselves within bounds; second, the masses will be inspired with good prospects; third, it will be good for the masses to conduct supervision and for leaders to conduct inspections; fourth, it will be conducive to call on all localities to make concerted efforts; and fifth, we will win the people's confidence after fulfilling the work so as to create conditions for the future work. So far, many units in the municipality have persisted in the practice and promulgate every year some major matters to do for the people. Some brotherly provinces and municipalities have adopted this practice. Tianjin Municipality, being the first to set forth the practice, should further persist in the practice and continuously improve and develop it in the course of improving the people's livelihood.

Over the past few years, our cadres have made great progress in showing concern for the people's livelihood and doing real things for the people. They not only raised their ability in handling affairs but also enhanced their ideological awareness of serving the people. Just as some leading comrades

have said, "Now we are sure where we can achieve successes and we will undertake the task." But we must realize that we still have a long way to go in order to form good practices and habits, to enhance the people's awareness, and to form good systems. Serving the people wholeheartedly is the basic as well as the highest requirement for a party member and cadre. The basic requirement means that serving the people wholeheartedly is an essential condition for a party member to join the party as well as the bounden duty for a cadre. The highest requirement means that it is our lifelong fighting goal and a job that we cannot finish in our lifetime. "Bend our back for the task until our dying day." Where do the faith in, the goal for, and the impetus of doing the work lie? Where do the sources of wisdom and the standards for telling truth from falsehood lie? All these lie in it. Therefore, we must consciously and conscientiously foster this idea. In particular, we should set this requirement for the young people and examine them with this requirement. Through the course of doing real things for the people, they will enhance their awareness of serving the people, bring up a new generation, and foster new practices. After fulfilling the work, we will be able to say that there is no lack of successors to carry on the revolutionary causes and our undertakings have good prospects.

The 20 projects for improving the livelihood of urban and rural people were set forth on the basis of widely listening to the people's opinions. Owing to excessive problems left down by history and to the development of the situation, there are many problems concerning urban construction and the improvement of the people's livelihood. Subjectively speaking, although we want to try every means to meet the demands of the people, we are handicapped by financial and material resources, so it is impossible to undertake all neglected tasks at once. The people in the past only could do historical deeds. We only can resolve the matters that the people need most and that can benefit the people at present. However, the 20 projects for this year have more contents, cover more fields, and have higher level than those of the past few years. For instance, we mended 26 streets last year and determined to mend 40 streets this year. Last year we constructed Nanshi Food Street and determined to build several specialized streets this year. We only engaged in building houses and mending roads in the past, but this year we are undertaking the comprehensive construction of the central circle road, including repairing roads, building bridges, undertaking municipal administration, construction, and reconstruction, and engaging in ground and underground projects. We should note that our work to improve the living standards of the people has never been so heavy and difficult. However, we should also note that the situation for this work has never been so good and the favorable conditions have never been so many. For example, in undertaking the central circle road project which was just started, and the project to renovate the "triple-jump houses," [san ji tiao keng zhu fang 0005 4787 6426 0977 0105 2075--meaning leaking houses] the people's enthusiasm is far higher and the progress of the projects is much more smooth than we have expected. We should seize this excellent opportunity to promote the work, achieve great successes in the 20 projects for this year, and then develop other work of the municipality and ensure the smooth progress of reform.

2. Develop Public Welfare Facilities and Pay Attention to the Functions of City.

At present, we are making great efforts to check the malpractice of arbitrarily issuing bonuses and materials in line with the guidelines of the central authorities. Today, we are holding this plenary session of the municipal government again to study and decide on the task of doing real things for the benefit of the people with all our hearts and might. Are these two tasks contradictory to each other? I think that they are not because they are tasks of different natures.

Doing real things for the people aims at satisfying the needs of the great majority of the people and improving their living standards, while arbitrarily issuing bonuses and materials aims at satisfying the selfish interests of a small number of people and small groups at the expense of the interests of the great majority of the people.

Doing real things for the people means to use the limited financial resources to solve the urgent needs of the people on the basis that the relationship between the state, the collective, and the individual, between production and consumption, and between accumulation and distribution is correctly handled, while arbitrarily issuing bonuses and materials means to undermine the interests of the state and to drain the pond to get all the fish for immediate and selfish interests.

Doing real things for the people is to work assiduously with all possible means and with all our hearts and might by proceeding from the fundamental interests of the people and within the framework of state policies, while arbitrarily issuing bonuses and materials aims at getting more with less labor or no labor at all by means of speculation under all sorts of pretexts and in violation of state policies and the principle of distribution according to work.

Doing real things for the people can guide the people to understand the overall situation and take it into consideration, and to show concern for production and the interests of the collective, while arbitrarily issuing bonuses and materials can make the people become short-sighted, seek assiduously for selfish interests, and lose lofty ideals.

Doing real things for the people is a method to make the county and the people prosper, and is conducive to ensuring reform and promoting the four modernizations, while arbitrarily issuing bonuses and materials is a method to undermine the state, harm the people, interfere with reform and hinder the four modernizations.

Therefore, we must not neglect to pay attention to improving the living standards of the people on the excuse of checking malpractices, nor must we pay any attention to checking malpractices on the excuse of improving the people's living standards. Malpractices must be checked resolutely, and the people's living standards must be improved persistently.

We have always called for making the people prosper as soon as possible and enabling them to lead a happy life. However, prosperity of individuals can never be divorced from the development of production. Ours is a big country with a large population and a very weak foundation. Generally speaking, our production cannot possibly develop too fast. This decides that our living standards cannot be improved too fast. What we encourage the people to do is to improve their ability through single-minded work, to improve their living standards through successful production and work, and to make their income an indicator of their contributions to society instead of a result of their reckless deeds, speculation, and trickery. Only in this way can the people exert themselves to make progress, and can there be hope for the state and the people to become prosperous. We should make it clear to the masses that develop without considering production, improvement without considering production efficiency, and one-sided emphasis on improvement of living standards which lead to an overly-rapid increase in the consumption funds of individuals or a loss of control over it are bound to impose an impact on the market place and cause price hikes, inflation, and currency devaluation. As old workers put it, the result will be that "it is we the ordinary people who will suffer the loss when the money depreciates." The experiences of many countries have proven that this is a dangerous road which we must never follow.

Engels pointed out that the ruling class "should be responsible for the situation of the state, and should show concern for the interests of the public." This means that we should strive to develop production and increase the people's income as quickly as possible, and, at the same time and more importantly, we should develop public welfare facilities and give more play to the functions of the city in order to improve the people's living standards. Practice has shown that there are many advantages in doing so.

First, it can at once prevent the blind increase of the individuals' consumption funds and improve the living standards of most people. We can enable most people to enjoy benefits that individuals cannot due to the lack of money and ability without putting a great amount of money into the consumption market, which would lead to inflation. As our financial resources are limited, we should carefully consider how to make the best of our limited financial resources. For example, we have spent 3.5 million yuan to repair the park along the Hai He. If we divided that money among each resident, he would get only a little more than 0.4 yuan. Which is more significant and plays the greater role? I think that under the current situation, putting major efforts on developing public welfare facilities is a most steady and realistic way to improve the people's living standards.

Second, it can at once meet the urgent needs in the daily lives of the people and promote production. Improvement of the people's living standards depends on economic development, and economic development is conditioned by the functions of the city. Without open roads, complete municipal facilities, accessible information networks, good commercial services, various cultural and recreational places, a clean and beautiful city, and so on, the city cannot perform its function as an economic center, production development

will be restricted, and great improvement in the people's living standards will be impossible.

Third, following the improvement of the people's material lives and cultural level, their need for spiritual and cultural life is ever growing. "The people will think of cultural and recreational activities when they become rich." The people are eager to increase knowledge and enjoy the arts to make their lives richer and happier, and their interests more tasteful. Public welfare facilities can both improve the people's material life and enrich their spiritual and cultural life. Complete welfare facilities and a fine living environment mould the people's temperament, help them get rid of dirtiness, and gain spiritual enjoyment and happiness. For example, we repaired 26 streets last year. We decided to renovate another 40 roads this year at a cost of 13 million yuan. With the money, a little more than 1 yuan per person, we cannot only repair and preserve very valuable old buildings but, more importantly, change the appearance of the city. When the people are walking in the streets, looking at the renovated and painted houses and the picturesque street scenes and green land, they will feel that their field of vision is widened, be relaxed and happy, find everything fresh and new, become more spirited, and arouse their love for their hometown and the country. This is an invisible reward with an invisible result.

Fourth, "A man of history must work for history." On the one hand, this statement tells us not to go beyond history and not to do things that are impermissible. On the other hand, it tells us not to shirk historical responsibility and avoid doing things we should and can do. We will feel ashamed to face our ancestors and our later generations if we sit idly and enjoy the fruits of others' work without making any contributions. It will benefit the people of the present age and the future generations if we try our best to collect our limited funds to do few things for the public good. For example, we have a gas supply and are the first to benefit while leaving family property for later generations [sentence as published]. Take another example, we plant trees and make the area green--one generation plants trees under whose shade another generation rests--contribute to the people of the present age and benefit future generations. Man always enjoys the material and spiritual wealth left behind by his forefathers. Likewise, he also creates plentiful material and spiritual wealth for future generations. We are communist party members whose solemn duty it is to seek benefits for the people. We should all the more do our best and should do more than our forefathers.

Based on the aforementioned ideology, the municipal CPC Committee and Government should each year do a few tangible and real things for the people. Meanwhile, they have also called on various units to do few real things for the masses within their capabilities. We can say that we have made great progress over the past few years and have created a few good units, such as the No 5 briquet plant and the gravel plant which run welfare undertakings for the collective to solve the masses' troubles at home. Generally speaking, many units have not done much in this regard. Some units have failed to solve the difficulties of the masses which have greatly needed to be solved for a long time and which are possible to solve. The reason for this is that the ideology and understanding of cadres of these units are too low and that they fail to

think consciously to serve the people. Some people said that last year's year-end reckless issuance of bonuses resulted from a great pressure which they could not withstand. Why don't they feel pressure when they see the masses live without mess halls, bathrooms, nurseries to take care of their children, places to park their cars, a place to take a bath, and heaters for warmth? They issued bonuses and material awards and competed with each other in this regard. Why don't they compete to run welfare undertakings? The unhealthy trend of arbitrarily issuing bonuses spread so rampantly in a few days and the advocacy of wholeheartedly serving and doing real things for the people which has been promoted for years has not yet been put into action by the people. This cannot but lead us to profound thought. We hope that all units and leaders at all levels will enhance their understanding of doing real things for the people this year, achieve great progress in their work, and make such acts a practice, a habit, a conscious action, and a system.

3. Conduct Cooperation Vigorously and Positively and Grasp Our Work Concretely.

Today, we formally defined the 20 aspects of work for the year for improving the livelihood of the urban and rural people. In the future, crucial issues will be to mobilize the strength of the entire city to grasp this work and to ensure its fulfillment.

First, we should formulate work plans for the lower levels as soon as possible. This year, the tasks of urban construction and improving the livelihood of the people are very arduous. We should seize our time and start our work early and carry out the work down to the lower levels as soon as possible. Some work needs preparation and must be arranged through thorough study. Some needs general consideration. We should have a rough plan and share our work among the people so that everyone will act. We should not withhold our work for a long time, just talk about principles, be irresolute and hesitant, and lose our opportunities. This is a very important link. I hope all people will pay attention to this.

We should make overall arrangements and give meticulous directions. We should list all our work, projects, and procedures to see which are more important and more urgent, which are primary, and which are secondary, and which should be done first so that we can grasp the key work. In the course of carrying out the work, we should properly handle the relationship between the work to be done during a certain stage and the work to be done from the beginning to the end, and successfully link them and shift from one to the other. We should make good use of time and space and make the best use of them. As far as the whole municipality is concerned, the general plan is that we will devote the first half of this year to the renovation of roads, and in the latter half we will mobilize the people to carry out the gas supply project. Therefore, we should complete the road projects, including the renovation of the 40 roads, before the end of June. Funds, materials, and manpower resources should be distributed rationally according to this general plan so that all projects will be considered while the key ones are emphasized, all needs are satisfied, and construction schedules are not delayed.

We should enforce a strict responsibility system, including assigning tasks, numbers, and needed time specifically to each unit and person so that everything will be taken charge of and carried out. We should stress the need to pay close, meticulous, and specific attention from the beginning to the end. Leading persons at various levels should go to worksites to investigate, study, discover, and solve problems. We should conscientiously correct the bad habit of "making a great determination without clarifying the situation, and putting forward many ideas without maintaining a correct method," and of "relying on reports from each lower level and staying in offices to map out plans," and exert earnest efforts to do real things for the benefit of the people.

Second, we should do a good job in cooperation and coordination.

Experience shows that the construction speed of a project is decided, to a very large extent, by how various units cooperate and coordinate with each other. Let us review Tianjin's situation during the past few years. The Xiqing Road was restored to its original state. The Nanshi food road was built in 100 days and opened for business 20 days later. In the construction of the central circle road, which is nearly 20 km long, it took only 18 days to dismantle nearly 200 units and move some 10,000 residents. These would have been impossible if not for the efforts of districts and neighborhoods, the support of the units involved, and the active cooperation of the residents who have to move. We may say that the welfare facilities and the public projects which yielded fairly great benefit over the past few years are a result of the active unity and cooperation of various departments and units. Our tasks in urban construction this year are very heavy, involve many areas, are very difficult, and have to be completed in fairly short periods of time. The fact that many jobs cannot be fully prepared calls all the more for the enthusiasm and initiative of every one involved and the coordination of every unit.

Practical experiences of the past few years also prove that the key to whether or not cooperation can be successfully carried out, lies in the major leading persons of various departments and units, such as the comrades present at today's session. As long as major leading comrades can take the overall situation into consideration, dare to take the responsibility, and take the initiative in coordination, the 20 projects for this year will certainly be carried out successfully.

Third, all people should exert efforts to do their work.

Our country is characterized by its numerous people. Many of our problems and difficulties are related to having numerous people. To solve these problems and difficulties, we must view our plans in terms of the numerous people. This has been the basic thinking of Tianjin's leaders in managing affairs for years. Facts show that many things seem difficult, but if we mobilize the masses we can change a difficult matter into an easy one and solve it easily. A few days ago, while moving the people out of houses to make way for the Beiyang Gongfang project in Hexi District, the people found it difficult to obtain their temporary houses. After matters were explained by the district officials, some 471 of the 476 residents did not ask for temporary

houses. They moved out of their houses within 2 days. Therefore, to successfully fulfill this year's tasks, we must mobilize the broad masses of people in order to create a strong atmosphere in which all people care for work, exert themselves, and strive to make contributions. Of the 12 aspects of work, many have been solved by collecting funds from all quarters, and the method of operation by the local people with government aid. Some should be managed by the people themselves, such as planting trees, and improving the outlook of villages and sanitary conditions. All these need the efforts of the masses. Without the help and support of the masses, it will be impossible to do things well even when the state allocates funds for the public.

Running welfare undertakings is good work for the people. But we must note that in the course of managing things, it is hard to avoid disrupting the people. On the one hand, we should exert efforts to organize and make arrangements for our work and strive by every possible means to cause less trouble for the people. On the other hand, we should engage in propaganda and explanation work to win the masses' support and forgiveness. As long as we give a good explanation to the people, do our work well, and do our best to solve the concrete difficulties of the masses, they will surely support our work.

Here I want to explain that if all people exert themselves to do things for the public, the broad masses of people will agree with such acts. However, some units take this as an excuse to add unnecessary fees to enterprises and the masses in order to seek benefits for departments and units. The people dislike this. This is also one of the unhealthy trends that should be checked.

Fourth, pay attention to doing things diligently and thriftily.

Practicing economy and managing things diligently and thriftily is a basic socialist principle. At present, our country is in a stage of advancing in the four modernizations program and it still faces many economic difficulties. Our funds for running public welfare undertakings do not come easily. We should all the more treasure such funds, make careful calculations and carry out strict budgeting, and do much with fewer expenditures.

Adhering to the principle of working diligently and practicing economy, we cannot only manage our work well but also make our cadres at all levels foster a work style of plain living and hard work and building their careers with industry and thrift. If we have such a workstyle, we will do a better job in the four modernizations construction and in all other spheres of work.

We should strengthen management of manpower and financial and material resources. We should strictly check all funds and expenses from the very beginning. We should have budget and final accounts, and should never exceed them once they are decided. All departments concerned should organize the people to conduct examination, discover problems in a timely manner, and plug loopholes. In carrying out the 20 projects, we should make new breakthroughs in cutting expenses and construction cost.

Comrades, our municipality has decided to hold the 3d Session of the 10th Municipal People's Congress in late April. At this session, we will discuss and approve the overall plan of Tianjin Municipality, which will give a blueprint of our municipality's construction. We should carry out this overall plan, and persistently and conscientiously do a few things for the people every year so that after a few years' efforts, we will bring about changes in our city, suburban areas, mountains, waters, houses, roads, people, and various other things. After 3 to 5 years, the gas supply project will be completed, pollution by waste gas, waste water, and industrial residue will be treated, the triple-jump houses will be out of sight, and streets and houses will be renovated. By that time, the skies and rivers will be clear, flowers, grass, and trees will be flourishing, and the people will be able to live in a clean, beautiful, and comfortable environment. Looking into the future, a civilized, clean, beautiful, modern, new Tianjin awaits us. We, Tianjin's people, should build our own hometown with our special style, with unremitting will and our own diligent hands. Let us rouse our spirit, and unite and take action to strive to make our extremely beautiful prospects come true.

CSO: 4006/495

PROVINCIAL AFFAIRS

GANSU'S LI ZIQI SPEAKS AT COLLECTIVE ECONOMY MEETING

HK200345 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 19 Mar 85

[Excerpts] The provincial CPC committee and government proposed at the provincial conference on urban collective economy, which opened on 19 March, that a great development be achieved in the province's urban collective economy in the next few years. A new breakthrough should be made, this year, by ensuring that total output value of urban collective enterprises reaches 770 million yuan.

Provincial CPC Committee Secretary Li Ziqi stressed at the meeting: Getting a good grasp of work regarding township and town enterprises and urban collective economy is a major issue with a bearing on whether the province's economy can develop rapidly, transformation can occur, and the people can become rich. He called on leadership at all levels to further eliminate traditional leftist concepts, straighten out their guiding thinking, totally eliminate the erroneous idea of impatience for upgrading and transition, establish the strategic idea of having collective economy coexisting and developing together with state-owned economy for a long time, and stimulate still greater prosperity of urban collective economy.

He also expressed the hope that large enterprises will regard supporting urban collective economy as an important task and make still greater contributions to developing urban collective economy.

Governor Chen Guangyi presided at the meeting. Provincial CPC Committee Deputy Secretary Zia Zhijie made an important speech.

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PROVINCIAL AFFAIRS

DECISION NAMES PLANTS SIX-GOOD ENTERPRISES

SK210101 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 17 Mar 85

[Text] Our province has scored remarkable achievements in consolidating enterprises and creating six-good units. The provincial government today issued a decision on naming 145 plants such as the Heilongjiang Dacron Plant, six-good enterprises. At present, among the state enterprises covered by the budget, about 80 percent have been consolidated and have passed the acceptance tests. Through several years of enterprise consolidation and carrying out activities on creating six-good enterprises, the operational and management levels of enterprises have been markedly improved and their economic results have improved by a large margin. All the 750 enterprises under the provincial industrial and communications department that had been consolidated and has passed the acceptance tests last year showed an increase of 43 percent in profits as compared with the previous year. Among the newly emerged six-good enterprises, Heilongjiang Dacron Plant, Qiqihar Steel Plant, and (Hualin) Rubber Plant exceeded or attained the top national level respectively in product quality, new product development, technical transformation, and economic results.

CSO: 4006/495

PROVINCIAL AFFAIRS

GANSU MEETING CALLS FOR IMPROVED ECONOMIC RESULTS

HK191156 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 13 Mar 85

[Text] last night the Provincial People's Government held a telephone meeting to urge the province's industrial and communication departments to resolutely focus on improving economic results and to make good efforts in production.

Since the beginning of this year, the general trend of the province's industrial and communication production has been good. In January and February the cumulative gross industrial output value accounted for 15.19 percent of this year's plan, an increase of 15.05 percent compared with the same period last year. In particular, the growth rate of light industry was rather high; it increased by 26 percent compared with the same period last year. In addition, the province's budgetary industrial enterprises have experienced growth in such areas as output value, sales revenue and profits.

However, some new problems have developed despite the good situation, which deserve our attention. Generally speaking, industrial production has not reached the level set in our plans, and economic results have been deteriorating.

The meeting urged the province's industrial and communication departments to promptly put an end to this trend, and to immediately take effective measures to improve the present production levels as well as to consolidate and develop the good situation.

Vice Governor Hou Zhongbin delivered a speech at the meeting. He pointed out that in order to handle well the relations between the present and future and to do well in grasping the present production so as to realize the long-term goals, we must resolutely focus on improving economic results. Through practices of tapping international potentials, making innovations, and readjustments we must strive to improve the consumption rates of enterprises so as to achieve simultaneous growth between economic results and efficiency. Party committees in industrial and communications enterprises at all levels must also relay strengthen ideological and political work and play a guidance and supervising role. The committees must mobilize the initiative of workers so that production will develop in a constant and steady way and will improve with each passing month or season. In this way we will constantly make new achievements.

PROVINCIAL AFFAIRS

GUANGZHOU CITY RELEASES 1984 ECONOMIC STATISTICS

HK200721 Guangzhou GUANGZHOU RIBAO in Chinese 4 Mar 85 p 2

[Report by the Guangzhou City Statistics Bureau issued on 15 Feb 1985: "Results of Carrying Out the 1984 National Economic and Social Development Plan"--- first paragraph is GUANGZHOU RIBAO explanatory note]

[Text] Some figures listed in this communique are preliminary statistical figures and there may be some discrepancy between these figures and the final figures listed in the annual report.

In 1984, under the leadership of the Guangzhou City CPC Committee and the city people's government, the people of the city further implemented the principle of invigorating the domestic economy and opening to the outside world and speeded up the pace of economic structural reform thus bringing about an encouraging scene of prosperity in the national economy and achieving success in various undertakings. The major economic targets of the annual plan were fulfilled. The city's annual gross social product amounted to 20,029 billion yuan, up 11.9 percent over 1983, its national income totaled 7.893 billion yuan, up 10.37 percent, and its total industrial and agricultural output value reached 15.288 billion yuan, up 11.41 percent(1) Most of the major targets of the Sixth 5-Year Plan were fulfilled ahead of schedule. The 1985 targets as stipulated by the "Sixth 5-Year" Plan for the gross social product, the national income, the total industrial and agricultural output value and for the output of such manufactured goods and farm produce as steel, rolled steel, pig iron, coke, sewing machines, household refrigerators, household washing machines, paper, cameras, cassette recorders, grain, aquatic products, and vegetables, were reached ahead of time. In the past year, with developed production, the domestic market was brisk, the economic and technological cooperation with foreign countries made great headway, government revenue increased, the living standards of the people were further improved, and fresh achievements were made in urban construction and scientific, educational, cultural, public health, and physical educational undertakings.

(1) The gross social product, the national income, and the total industrial and agricultural output value are calculated according to the 1980 constant prices. While checking the implementation of the "Sixth 5-Year" Plan and the 1984 plan, all figures are calculated in terms of the planned items.

The main remaining problems in the development of the national economy are that there is still a strain on power supply, industrial set-ups cannot meet the needs of the people's livelihood, economic results still leave much to be desired, there is a decline in the purchases of export goods, and traffic jams are still very common in the city proper. All these problems call for further solution.

I. Industry

In 1984, industrial production developed in a sustained and coordinated way. The city's total industrial output value was 13.948 billion yuan⁽²⁾, fulfilling 108.02 percent of the annual plan or an increase of 12.12 percent over the previous year. Light and heavy industrial production increased simultaneously. The total value of light industrial production was 9.09 billion yuan, up 11.9 percent on 1983 and that of heavy industrial production totaled 4.858 billion yuan, up 12.45 percent. Judging according to economic sectors, the industries run by the collectives and the individuals developed faster than the industries run by units under the system of ownership by the whole people.

The city reached or surpassed 84 percent of the targets for output of 110 major products listed in the annual plan, totaling 92 percent. Targets for the output of 18 products listed in the plan were not reached, constituting 16 percent of the total projected 110 products.

In light industrial production, in the light of changes in market demands, efforts were made to constantly readjust industrial set-ups and to increase the production of marketable, top quality products with renowned brand names. Compared with the previous year, the output of 46 out of 60 major light industrial products increased, constituting 7 percent of the total. Of this, the output of household refrigerators increased by 213 percent; that of household washing machines, 32.89 percent; that of television sets, 47.05 percent; that of cassette recorders, 68.01 percent; that of electric fans, 59.81 percent; and that of chemical fibers, 72.57 percent. Of 60 major light industrial products, the output of 14 dropped, comprising 23 percent of the total. They included cotton yarn, cotton cloth, canned food, and dry cells.

Heavy industry continued to readjust its service orientation and turned out more marketable products. Compared with 1983, the output of 31 out of 50 major heavy industrial products increased, accounting for 62 percent of the total. Of this, the output of rolled steel rose by 12.45 percent; that of

(2) As stipulated by the State Council, beginning 1984, items for calculating the total industrial output value and the total agricultural output value have been altered as follows: "The output value of industries run by units at or below the village (production team) level is deducted from the total agricultural output value and listed in the total industrial output value." If calculated in terms of the previous items, the total industrial output value amounted to 13.336 billion yuan, up 12.34 percent over 1983 and the total agricultural output value totaled 1.951 billion yuan, up 5.43 percent.

cement, 16.04 percent; that of minicomputers, 3,227 percent; and that of semiconductor parts, 119 percent. Of 50 major heavy industrial products, the output of 19 decreased, making up 38 percent of the total. They included plastics, farm chemicals, and synthetic ammonia.

In the past year, the city accelerated the pace of economic structural reform in industrial enterprises and gave them more decisionmaking powers, thus achieving quite satisfactory economic results. The total amount of profits created and profits handed over to the state by the enterprises which had been given more decisionmaking powers increased by a big margin, surpassing the average level of enterprises throughout the city in this regard. Product costs were cut down remarkably.

In the past year, efforts were made to utilize foreign capital and to import foreign equipment and technology, thus speeding up technical transformation. In 1984, of the 224 projects involved in technical transformation of the industrial and communications departments and their affiliates, the task of technically transforming 108 was completed, using more than 200 million yuan in investment and requiring the import of 52 pieces of equipment and technology from abroad. The commissioning of these projects played a positive role in upgrading the city's manufactured goods, improving product quality, cutting down material consumption and costs, expanding production, and in boosting taxes and profits.

Product quality was steadily improved. Of 100 products listed in the city's quality assessment scheme, 96 met the requirements of quality as planned. Of 99 products comparable with what they were last year, 92 improved steadily in quality. Two city products were awarded gold metals and 12 were awarded silver medals. The number of the city's products graded by the central departments concerned as top-quality products was 47 and that by the provincial authorities amounted to 116.

Structural reform and technical transformation invigorated enterprises and raised the economic results of industrial production. Per capita productivity of industrial enterprises under the system of ownership by the whole people (including enterprises where cooperative management was involved) increased by 11.23 percent over 1983 and the total amount of profits of independently accounting industrial enterprises under the system of ownership by the whole people, which were budgeted by the city government, rose by 10.34 percent over the previous year. Moreover, the amount of energy consumed to produce every 10,000 yuan's worth of output value dropped by 2.3 percent. However, the amount of losses incurred by loss-making enterprises increased considerably, surpassing the targets assigned by the provincial authorities.

II. Agriculture

In 1982, suburban districts and counties under the jurisdiction of Guangzhou City conscientiously implemented the Document No 1 of the CPC Central Committee, thoroughly restructured the rural economy, further improved the production responsibility system, increasingly consolidated and developed various specialized households and economic combinations, gradually readjusted the

structure of agricultural production, expanded the acreage under industrial crops, actively popularized scientific farming, and developed commodity production, thus reaping another bumper harvest in agricultural production on the basis of successive years of increased output.

The total agricultural output value in 1984 amounted to 1.34 billion yuan (see Footnote 2), an increase of 4.51 percent over the previous year. Compared with 1983, although there was a reduction of more than 70,000 mu in the area of land sown with grain crops, the per mu yield increased by 30 jin, up 5.07 percent. The grain output for the year rose by 3.81 percent. The output of sugarcane went up by 24.4 percent; that of peanuts, 11.79 percent; that of fruit, 22 percent; that of vegetables, 10.77 percent; that of milk, 37.06 percent; that of aquatic product, 27.43 percent; and that of fowls, 16.26 percent. The total output of grain, fruit, milk, and aquatic products hit an all-time high.

The rural diversified economy made fairly significant headway, the commodity economy was relatively developed, and the supply of commodities in the urban market multiplied generally. The total income of township enterprises also registered a fairly big increase.

The Guangzhou General Integrated Company Combining Agriculture, Industry, and Commerce achieved remarkable economic results in adhering to the principle of conducting reforms and opening to the outside world. Its total volume of profits in 1984 rose by 34 percent over the previous year.

III. Investment in Fixed Assets

In 1984, investment in the fixed assets of units under the system of ownership by the whole people in the city totaled 2.521 billion yuan, 39.22 percent higher than in the previous year. Of this, investment in the fixed assets of units under the jurisdiction of the city government was 1.38 billion yuan, an increase of 29.02 percent.

Investment in various departments showed relatively big increases, of which the increase in agriculture and the energy industry was 130 percent; that in transport, posts and telecommunications, 56 percent; that in commerce, 41 percent; and that in education, 42 percent. The key projects in Zhuhai, such as the three bridge projects, progressed relatively rapidly.

The newly-added fixed assets of units under the system of ownership by the whole people amounted to 1.929 billion yuan, up 44.35 percent on 1983 and the floor space of buildings completed in the year totaled 4.13 million square meters, up 20.64 percent.

The additional main production capacity or beneficial effect during the year consisted of facilities for producing 260,000 tons of cement, 2,000 tons of synthetic fibers, 150,000 color television sets, 50,000 refrigerators, 200,000 sewing machines, 167,000 bicycles, 140 million bottles of soft drinks, and 2,000 telephone exchanges for urban use. The completed floor space of buildings for teaching purposes totaled 140,000 square meters and that of tourism-related units came to 150,000 square meters. The Zhongguo [China] Hotel

and the Baiyun [White Cloud] Guesthouse have already started business. Fourteen commercial buildings, such as the Huaxia Company and Friendship Shopping Center, were also completed and opened for business.

The preparatory work of the capital construction of the Guangzhou Economic and Technological Development Zone set up in the eastern rim of Huangpu Port has been carried out vigorously and the zone is about to enter a stage of overall development and construction.

In the building industry, a system of public bidding and a system whereby contracts were signed to fix the amount of wages for every 100 yuan's worth of finished work in housing construction were gradually instituted and consequently, production expanded quite rapidly and better economic results were attained. In 1984, the output value created by construction units under the jurisdiction of the city government increased by 14.16 percent over the previous year and per capita productivity rose by 9.86 percent. The rate of high-quality projects was 78 percent.

IV. Transportation, Posts and Telecommunications

In 1984, freight transportation continued to increase. The volume of goods transported by the Guangzhou railway authorities was 17.9 million tons, an 11.3 percent increase over 1983 and the handling capacity of goods of all ports in the city totaled 22.55 million tons, a rise of 0.81 percent. Compared with 1983, the volume of road and water freight transport rose, the number of motor vehicles owned by enterprises and institutions increased, but the freight volume of specialized transport companies dropped. The volume of goods transported by the specialized motor vehicle transport companies under the jurisdiction of the city government was 109.97 million ton-kilometers, 12.77 percent less than in the previous year and the volume of water freight transport reached 621.88 million ton-kilometers, 2.56 percent more than in the preceding year.

Posts and telecommunications transactions of the city totaled 45.9 million yuan, up 23.16 percent over 1983. The city had an additional 2,802 telephone sets but there was no significant improvement in the backward situation in the telephone sector.

V. Domestic Market

With the in-depth development of commercial structural reform, a circulation system "with many channels and as few levels of management as possible" under which "various economic sectors coexist and various methods of management are adopted" was instituted and commercial undertakings were operated on an open-door basis, thus resulting in a brisk circulation of commodities and an ample supply of goods. The retail sales of commodities in 1984 amounted to 6.145 billion yuan, an increase of 21.67 percent over the previous year, a growth rate seldom seen in recent years. The cooperatively-run economy and the individual economy developed more rapidly. The growth rate of the former was 318 percent and that of the latter, 216 percent.

Sales of most major commodities showed increases. Compared with 1983, the sales volume of eggs in 1984 increased by 27.45 percent; that of aquatic products, 14.37 percent; that of woollens, 175 percent; that of silks and satins, 205 percent; that of clothing, 14.37 percent; that of refrigerators, 49.97 percent; that of cassette recorders, 63.33 percent; and that of television sets, 13.21 percent but that of cotton/chemical fiber blended cloth, sewing machines, and matches decreased.

With increased agricultural production, relaxed purchasing policies, and fewer state unified purchase tasks, trade in both urban and rural peasant markets was tremendously brisk. Total business turnover of such markets in 1984 reached 685 million yuan, 22.54 percent more than in the previous year.

Better economic results were attained. In 1984, the total amount of profits gained by city-run commercial departments under the system of ownership by the whole people and supply and marketing cooperatives rose by 4.07 percent over the previous year and the average per capita sales volume increased by 15.4 percent. The capital turnover period was shortened and the rate of charges in commodity circulation dropped.

There was some upward trend in market prices. Compared with the previous year, the price index for the cost of living of staff and workers in 1984 increased by 2.4 percent. Of this, the price index for the retail sales of consumer goods was up 1.4 percent and that for service charges up 11.3 percent.

VI. Foreign Trade and Tourism

In the foreign trade of the city in 1984, total value of exports was \$286 million. Of this, the total value of exports handled by the general foreign trade corporation amounted to \$260 million, fulfilling 132 percent of the annual plan. The total purchase volume of exports of the city came to 1.013 billion yuan, of which that of the company amounted to 789 million yuan, fulfilling the annual plan by 124.83 percent. The export of products incurring big losses was put under control, the costs for gaining foreign exchange were reduced, and tentative efforts were made to develop commission-based export businesses.

In the past year, there emerged a new situation never seen before in the city's economic and technological cooperation with foreign countries. In 1984, enterprises under the jurisdiction of the city government signed 143 contracts with foreign or Hong Kong and Macao businessmen in the forms of joint ventures, cooperative management, and compensatory trade, 496 percent more than in the previous year. The total volume of overseas partners' investment involved in these contracts amounted to \$200 million, an increase of 719 percent over the previous year. Fresh achievements were also made in doing business with foreign firms in the processing and assembling sectors. A total of 4,428 new contracts in this regard were signed, up 37.34 percent over 1983 and the total amount of processing and assembling charges as stipulated by the contracts reached \$180 million, up 34.07 percent.

The utilization of foreign capital and the absorption of technology and equipment made relatively big headway in 1984. Units under the system of ownership by the whole people used 323 million yuan of foreign capital in

investment, a rise of 58.99 percent over the previous year. Of this, a sum of 123 million yuan was used to import equipment from abroad, up 110 percent.

In 1984, the city received 2.4 million foreign tourists, Overseas Chinese, and compatriots from Hong Kong and Macao, 3.35 percent more than in the preceding year.

The balance of income in foreign exchange of the Zhujiang Bank was \$372 million, a decrease of 19.28 percent compared with the previous year. This was due mainly to the control on the export of products incurring big losses and a considerable reduction in the amount of foreign exchange derived from trade.

VII. Urban Construction

Urban construction undertakings made continued progress. Compared with 1983, investment in the fixed assets of public utilities in 1984 was up by 55.67 percent.

Water supply was further augmented. Part of the first-phase projects of the Shimen waterworks have already been completed and commissioned, with a capacity of 100,000 tons of water per day. The pipelines laid or revamped throughout the year totaled 65 kilometers. The shortage of water supply in the vast areas of Shahe, Fangchun, and Chigang was thus eased. The daily running-water-supply capacity of the city in 1984 registered an increase of 5.24 percent over the previous year and the sales volume of water rose by 5.15 percent.

There was a relatively strained situation in the city's electricity supply. In 1984, the sales volume of electricity totaled 3.056 billion kilowatt-hours, meager increase of 1.36 percent. Of this, the volume of electricity for industrial use dropped by 4.51 percent and that for lighting and everyday life use rose by 20.13 percent.

Construction of bridges and roads in the city proper made further progress, with completion of three overhead bridges for pedestrians (Huifu Road, Xiti Road II, and Xianlie Road) and two flyovers (Guangyuan Road and Hongde Road). The total area of road surface at year-end was up 2 percent from 1983 and the total length of sewers up 1.9 percent.

Public communications departments brought additional transport facilities, boosting their carrying capacity. At the end of 1984, the city had 1,653 buses, 350 more than in the previous year; 4,080 taxis, 1,145 more; 73 new bus stops; and 10 additional special bus routes, and all bus stop signs in the city proper had been revamped.

The number of households using liquefied petroleum gas (LPG) from the Guangzhou Gas Company was 40,500 at the end of 1984, 15,500 more than in the previous year and the sales volume of the LPT increased by 74 percent.

Efforts were made to augment the construction of gardens and to beautify Guangzhou City. In the past year, the city built and opened to the public 14 new tourist spots, revamped 7 older ones, bought additional entertainment facilities, and enriched the contents of garden activities, thus registering

a growth of 62 percent in the number of those visiting gardens and tourist spots. Fresh achievements were scored in the city's greening work.

VIII. Science and Technology, Culture and Education, and Public Health and Sports

The ranks of the scientists and technological workers continued to grow steadily. The number of professionals and technological personnel working in units under the system of ownership by the whole people amounted to 104,100, an increase of some 5,700 people over the previous year.

Educational readjustment and reform was carried out at an accelerated pace and fresh achievements were thus made. In 1984, the city had 21 institutions of higher education, 1 more than in 1983, with an enrollment of 41,500 students, 6,500 more than in the previous year. Adult higher education institutions had 18,900 students last year, 3,600 more than in 1983. Ordinary middle schools had 306,100 students, 16,100 more than in 1983. Secondary vocational schools, secondary teachers' schools, secondary technical schools, and agricultural middle schools as well as professional schools had 37,900 students, 6,700 more than in the preceding year. There were 767,400 pupils in primary schools last year, 18,600 fewer than in 1983 and 160,300 pupils in kindergartens, 21,100 more than in the previous year.

Cultural units, the press, publication, radio, and television undertakings played a positive role in reflecting the achievements scored in socialist construction and enriching the people's spiritual life. The films of various types distributed in 1984 numbered 188, 18 more than in 1983. Last year the city had 76 cinemas, auditoriums-cum clubs for public use, and performing arts centers, 13 music teahouses, 28 performing arts troupes, and 18 light music performing troupes. The volume of magazines produced by the city in the year increased by 19.4 percent over 1983, that of newspapers, 7.19 percent; and that of books, 2.8 percent.

Medical and health work developed to some extent. At the end of 1984, the city had 20,100 hospital beds, 443 more than in the previous year and 46,100 professional health workers, an increase of 988 people.

Outstanding achievements were made in the sports sector. In 1984, the city's athletes won two gold medals in international sports meets, one of which was an Olympic gold medal, and 39 gold medals in nationwide sports meets. In international or domestic sports meets, three city athletes broke 2 world records, two chalked up three national records, 21 set 24 provincial records, and 62 shattered 34 city records.

IX. People's Livelihood

The number of people who obtained employment in cities and towns increased considerably and continued improvements were made in the people's livelihood. The number of staff and workers of the city totaled 1,819,000 at the end of 1984, 29,400 more than in the previous year and that of self-employed workers amounted to 60,000, an increase of 6,000 people. The total city wage bill for staff and workers came to 2.354 billion yuan, up 16.39 percent from 1983 and wages for staff and workers in the year averaged 1,318 yuan, up 15.21 percent.

In 1984, the amount of labor protection and welfare funds reached 587 million yuan, a 23.65 percent increase over the previous year, averaging 329 yuan for every staff member or worker in the year, an increase of 22.3 percent.

To improve living conditions, units under the system of ownership by the whole people and those under the collective ownership system throughout the city invested 606 million yuan in housing construction, up 19.02 percent over 1983. The floor space of houses completed in the year totaled 2.33 million square meters, up 12.76 percent. Of this, the floor space of houses completed as assigned by the city authorities amounted to 1.15 million square meters, fulfilling the plan by 210 percent.

According to a survey of the livelihood of 200 families of staff and workers, the average per-capita monthly income for covering living expenses in 1984 was 69.81 yuan, 14.14 percent higher than in the previous year, or a real increase of 11.46 percent after deducting the rise in the cost of living index. More and more people had high-grade durable consumer goods. At the end of 1984, every 100 staff member or worker households had 28 refrigerators, up 100 percent over 1983; 19.5 color television sets, up 160 percent; 83.5 black-and-white television sets, the same as in 1983; 59 washing machines, up 59.46 percent; 204.5 electric fans, up 16.52 percent; and 85.5 cassette recorders, up 19.58 percent.

There was an increase in the incomes of the peasants and improvements in their living standards. According to a sample survey of 300 peasant households in rural areas, the average per-capita net income in 1984 was 539 yuan, 10 percent more than in the previous year.

There was a fairly big increase in the savings deposits of the urban and rural population. The savings deposits of residents at the end of 1984 totaled 2.996 billion yuan, up 31.9 percent over 1983. This included an increase of 29.22 percent in the savings deposits of the urban population and an increase of 40.79 percent in those of the rural population.

X. Population

The city had a population of 6,988,900 at the end of 1984, 116,700 more than in the previous year. Of this, the number of permanent population amounted to 6,961,400, an increase of 122,000 over 1983.

CSO: 4006/495

PROVINCIAL AFFAIRS

QUAN SHUREN ON LIAONING ECONOMIC GROWTH

OW221023 Beijing XINHUA in English 0805 GMT 22 Mar 85

[Text] Shenyang, 22 Mar (XINHUA)--Liaoning Province registered a big increase in economic growth in 1984 as a result of reforms, according to Governor Quan Shuren.

The province's industrial output value was 57.77 billion yuan, a rise of 11.8 percent over 1983, Quan told the Third Session of the Sixth Provincial People's Congress which closed here yesterday. Production value for heavy industry jumped 11.9 percent and light industry 11.6 percent.

Liaoning in Northeast China is the country's leading heavy industrial center.

Also in 1984, contracts worth 443 million U.S. dollars were signed for foreign investment projects and technology imports--1.6 times the amount for the previous five years.

Liaoning's agricultural output rose 9.1 percent, to 12 billion yuan in 1984. Grain production reached a record 14.25 million tons, the session was told.

Quan attributed last year's economic growth to:

--decentralization of management. In 1982, 124 factories run by provincial authorities were handed down to governments of lower levels;

--reform of the profit delivery system. Most factories and stores paid taxes to the state instead of delivering profits; and

--greater rural commodity production. Nearly one million farmers, or 14 percent of the province's rural workforce, switched from farming to industry, construction, transport and commerce.

The number of peasant households undertaking specialized production rose to 824,000--15 percent of Liaoning's total.

CSO: 4020/161

PROVINCIAL AFFAIRS

BRIEFS

SHANXI SECRETARY LEADS ECONOMIC GROUP--At the invitation of the China Resources (Holdings) Company in Hong Kong, a 16-member economic development observation group from Shanxi Province, headed by Li Ligong, secretary of the provincial CPC Committee, left Beijing for Hong Kong on 12 March and began its 2-week observation tour in Hong Kong. Gu Wenbo is secretary general of the observation group, whose members include responsible people from various prefectures and cities and some relevant departments of the province. During its visit to Hong Kong, the observation group will observe and study Hong Kong's economic management and Hong Kong Enterprises' business management and will come into contact with Hong Kong companies and businessmen in order to develop economic cooperation and expand economic links between Shanxi and Hong Kong. This will contribute to Shanxi's economic development. [Text] [Taiyuan SHANXI RIBAO in Chinese 13 Mar 85 p 1 HK]

ZHEJIANG TECHNICAL TRANSFORMATION--Hangzhou, 26 Feb (XINHUA)--Thanks to technical transformation and practicing economy, Zhejiang's total industrial output value last year increased by 24 percent over the previous year. Last year, Zhejiang spent over 700 million yuan on promoting technical transformation to conserve more energy resources. As a result, over 140 enterprises' industrial output value increased by 11.2 percent last year, while their energy consumption increased by only 3.5 percent. [Summary] [Beijing XINHUA Domestic Service in Chinese 0125 GMT 26 Feb 85 OW]

CSO: 4006/495

ECONOMIC DEVELOPMENT ZONES

CONSTRUCTION FOR ECONOMIC DEVELOPMENT ZONES STARTS

Yantai City Begins Zonal Construction

SK212249 Jinan Shandong Provincial Service in Mandarin 2300 GMT 20 Mar 85

[Text] On the morning of 20 March, Yantai City held a ceremony on starting construction of the economic and technical development zone. Li Changan, deputy secretary of the provincial CPC Committee, and Ma Changgui, vice governor of the province, attended the ceremony and cut the ribbon for laying foundations for construction.

Since October 1984 in which the State Council formally approved the project, Yantai City has scored initial achievements in conducting economic and technical cooperation with outside places thanks to the common efforts by the people throughout the city. At the end of 1984, the city had 147 items that introduce advanced technology by making use of outside capital. Its transaction volume reached more than \$108 million. Its number of items on conducting economic and technical coordination with outside provinces, regions, and cities, which are being implemented in line with the signed contracts, reached 88. The city introduced more than 137 million yuan of funds from them.

To start the construction at an early date, the Yantai City CPC Committee and the city people's government have worked out the overall plan for building the development zone and the initial plan for the operation by a 4-month effort. At present, the four construction companies from both the province and outside have dispatched their staff members and workers to the construction sites. The 12 projects for fundamental facilities in the fields of water and power supply, roads, gas supply, and communications will be completed in 1985. The seven ground-level construction projects contain standardized plant workshops, goods distributing centers, a villa housing area and boarding rooms for foreigners, and dormitories, with a total investment of more than 320 million yuan.

Shandong City Breaks Ground

OW201632 Beijing XINHUA in English 1624 GMT 20 Mar 85

[Text] Yantai, 20 Mar (XINHUA)---Yantai City on the Jiaodong Peninsula in Shandong Province has broken ground today for an economic and technological development zone aimed at attracting foreign investors.

Yantai is one of the 14 coastal port cities opened wider to foreign trade and investment last year. It has designated an area of 10 square kilometers for accommodating foreign enterprises, joint ventures and cooperative schemes to bring the latest advanced technology and equipment to the city.

Under development at the present is a two square kilometer industrial zone and one square kilometer service zone.

According to city authorities, the city will invest 327 million yuan this year, mainly in basic facility construction.

Projects to be undertaken include power supply lines, power transformation station, water works and communications, drainage and gas facilities. Some 130,000 square meters of buildings have been planned and 40,000 square meters of them will be completed this year.

CSO: 4006/494

ECONOMIC PLANNING

GANSU OFFICIAL SPEAKS ON 3-YEAR ECONOMIC PLAN

HK180821 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 13 Mar 85

[Text] Jia Zhijie, deputy secretary of the provincial CPC Committee, made an important speech yesterday morning at a provincial CPC Committee mobilization and report meeting on formulating specific 3-year economic development plans.

Comrade Jia Zhijie said that when formulating specific plans for the province's 3-year economic development, we must understand the goal of the province's 5-year plan for economic development. In June last year, the 2d meeting of the 6th Provincial CPC Committee decided on four tasks which should be accomplished by 1988. In addition, the meeting also put forward the strategic goal for the province's people. In order to realize the goal, we must work out practical specific plans for the 3-year economic development. The long-term plan must guide the medium-term one, while the latter would be implemented through immediate specific plans.

Comrade Jia Zhijie pointed out that in formulating the specific plans for 3-year economic development, we must note the general guiding ideology. That is, we should arrange work around the four strategic tasks proposed by the provincial CPC committee, and focus on helping people get rich, meeting the market demand, and improving economic results. We should further open to the outside world and invigorate the economy. We should give full play to the province's advantages in terms of natural deposits, grasp technical transformation firmly, and take the road of national cooperation and internal coordination.

Jia Zhijie urged departments and bureaus directly under the provincial authorities to work out their specific plans for economic development in the next 3 years. In the meantime, the departments and bureaus should coordinate well the competent departments at the upper level and the prefectures, autonomous prefectures and cities at the lower level; departments of the same level; as well as enterprises, factories, mines and research units of the same department.

In addition, Jia Zhijie said that in formulating specific 3-year economic development plans, various prefectures, counties and trades must seriously study new issues which constantly develop under the new circumstances. We must implement the party policies in an innovative way, as well as work out and implement a set of flexible measures that are favorable to the development of prefectures, counties, and trades concerned.

Jia Zhijie pointed out that departments, bureaus, districts, enterprises, universities, colleges and research units directly under the provincial authorities must, within the period from March to May, concentrate their efforts on formulating their specific 3-year economic development plans. They must really carry out their plans in a down-to-earth manner.

The report meeting was attended by responsible comrades of some 700 units, including departments, committees, offices and bureaus of the provincial CPC committee and the provincial government and by some universities and colleges.

CSO: 4006/495

AGGREGATE ECONOMIC DATA

QINGHAI SURVEY SHOWS INCREASE IN PER-CAPITA INCOME

HK191042 Xining Qinghai Provincial Service in Mandarin 1100 GMT 18 Mar 85

[Text] According to a sample survey of household income and expenditures, which involved 540 peasant and animal husbandry households in nine counties such as Minhe, Huangzhong, Menyuan and Tongde, the province's per capita net income in 1984 was 294 yuan, an increase of 16.6 percent compared with 1983 or 1.6 times compared with 1978.

The main reasons that the income of the peasants and herdsmen has increased are that the province's reform of the rural and animal husbandry areas is continued to develop in depth; the number of peasants and herdsmen engaging in industrial, commercial, construction, transportation and catering trades has increased; and the percentage of marketable agricultural and animal husbandry products has also increased.

The characteristics of income increase of the province's peasants and herdsmen are:

1. The increase in income in production departments is higher than others.
2. In household business the growth rate of income from nonagricultural and non-animal husbandry operations is higher than that from agricultural and animal husbandry operations.
3. The number of rich households has been on the increase while the number of poor households has decreased. Among the peasants and herdsmen surveyed, 9 percent earn a per-capita annual income of over 500 yuan, an increase of 1 percent compared with the previous year, while 4.3 percent earn a per capita income of less than 100 yuan, a decrease of 2.3 percent.

CSO: 4006/495

AGGREGATE ECONOMIC DATA

BRIEFS

XINJIANG PRODUCTION CORPS OUTPUT--Last year the Xinjiang Production and Construction Corps' gross industrial and agricultural output value was approximately 2.6 billion yuan, 107 percent of the year's quota and an increase of 13.05 percent over 1983. The per-capita income reached over 500 yuan and was more than the preceding year. The corps' output of grain last year was some 2.29 billion jin and recorded an increase of 200 million jin over the preceding year. Its output of cotton was 1.81 million dan and 210,000 dan more than the preceding year. Its output of oil-bearing crops was 810,000 dan and 130,000 dan more than in the preceding year. It respectively fulfilled 109.21, 113.14, and 119.69 percent of the year's quotas. The total number of the households of the whole corps by the end of last year amounted to some 41,000, and their total income was 98.49 million yuan. The corps' gross industrial output value last year reached some 1.33 billion yuan and was 9.85 percent more than in the preceding year. The corps fulfilled 102 percent of the year's quota. [Summary] [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 4 Mar 85 HK]

NEI-MONGGOL INCOME INCREASE--In 1984, Nei Monggol Autonomous Region made marked progress in increasing per peasant income. According to sample investigation data, the per peasant gross income reached 467 yuan, a 15.8-percent increase over the 1983 figure and per peasant net income reached 336 yuan, a 14.2-percent increase over the 1983 figure. [Summary] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 19 Mar 85 SK]

CSO: 4006/495

ECONOMIC MANAGEMENT

YUNNAN LAUNCHES THREE-PRONGED DRIVE TO TRANSFORM ECONOMY

HK240344 Beijing CHINA DAILY in English 24 Mar 85 p 1

[By staff reporter Zhu Ling]

[Text] Yunnan, China's southwestern frontier province, has launched a three-pronged drive to transform its "underdeveloped economy" into a potent industrial and investment force in modern China.

The province's plan is to fully exploit its rich natural and energy resources; open further to the outside world to gain foreign cooperation and investment; and step up domestic cooperation with the country's more developed regions, Vice Governor Zhu Kui told CHINA DAILY yesterday.

Yunnan is known in China as the "kingdom of non-ferrous metals." It has more than 20 kinds of non-ferrous and rare metals and it has the largest deposits of tin, lead, zinc and copper in the country.

But its mining and manufacturing capability is very poor, Zhu said.

The province has deposits of more than 11 billion tons of brown coal, but it uses only a little more than 2 million tons a year and most of the main deposit areas have not yet been touched.

Yunnan has a potential of 77 million kilowatts of hydro-electric power but only about 2 percent is being used, he said.

It is the third largest phosphorus-rich province in the country with deposits of 1.9 billion tons. But only some 3 million tons of phosphorous rocks are mined per year.

Communist Party General Secretary Hu Yaobang, who visited the province last month, urged the provincial authorities to go all out to exploit its rich natural resources as the top priority.

The province's goal is to become the country's heavy industrial base with non-ferrous metal as the core. It will welcome foreign businessmen to cooperate with it in whatever forms to speed the work, Zhu said.

The province will hold an international symposium on economic and technical co-operation in late May in Hong Kong, he went on.

The province has proposed 110 projects to be discussed at the meeting. They mainly involve energy and transport, telecommunications, machinery and electrical appliances, cigarettes, medicine, electronics and chemical industries.

The provincial government has laid down 12 preferential measures for overseas investors. It will greatly simplify the procedure for examination and approval of any cooperative projects; guarantee that any joint venture or co-production enterprises will enjoy full self-determination; and promise favourable treatment in taxation, use of land, supply of raw materials, bank loans and labour.

The province also allows foreigners to run some of its existing enterprises, Zhu said.

Another way to boost its economy is to further step up domestic cooperation, inviting more experts from the country's developed areas to help develop its industry and agriculture.

Last year, Yunnan launched more than 1,000 projects of economic and technical cooperation with developed Chinese provinces and cities, including Shanghai, Beijing, Jiangsu and Guangdong, said a trade official of the province.

According to Zhu, Yunnan has been open to foreign investment since 1979.

CSO: 4020/161

ECONOMIC MANAGEMENT

YANTAI CITY MAYOR DISCUSSES DEVELOPMENT PROGRAM

HK230414 Beijing CHINA DAILY in English 23 Mar 85 Yantai Supplement p 1

[By Yantai City Mayor Dong Chuanzhou]

[Text] Yantai Prefecture, the easternmost part of Shandong Peninsula, has remarkable good fortune in its geographical position and climatic conditions.

The prefecture, which has a population of 8.1 million and covers an area of almost 19,000 square kilometres, has a 1,300 kilometre coastline. It is a major centre for seafood, and is well known for its king prawns, abalones, sea cucumbers and shellfish.

Because of its temperate climate, it is one of China's main producers of apples and peanuts, accounting for one-fifth of the national output.

Yantai also has abundant mineral resources, including gold, silver, copper, lead, zinc, coal, graphite and marble deposits. The output of gold mines in the prefecture is the highest in the country.

All these factors have contributed to the rapid development of Yantai's agriculture, industry and tourism, which has outstripped that of most of China's other cities.

Yantai now has trade and shipping links with countries all over the world and exports more than 400 products. It also has rail, road and air links with all the major cities in China.

The existing and potential advantages of Yantai have formed the basis of the ideas for further development of an ambitious programme which envisages linking the two main Shandong Peninsula ports of Yantai and Qingdao and developing the whole area into an international trade and tourism zone.

This zone will eventually become a vital link in the intercontinental trade and shipping network, serving the whole of east Asia and the Pacific.

It is with such a long-term development scheme in mind, that the prefecture has launched new industrial, trade and tourism policies aimed at making Yantai more attractive to overseas investors.

As the first step of our programme, the 400 State-run and 2,000 rural industrial enterprises in the prefecture will be modernized and provided with technology, while a "special economic development zone" of 10 square kilometres will be built to encourage direct investment by overseas business. The zone will concentrate on technology-intensive and light industrial projects.

Meanwhile, efforts will be made to further develop the prefecture's marine resources and its tourism industry.

We sincerely welcome cooperation in these development plans from business all over the world. We will offer favourable terms to all investors from abroad. Among these will be:

--Tax reductions or exemptions for independent and joint venture projects involving overseas capital. A 15 percent profit income tax reduction will apply to projects in the "special economic development zone" and those in other parts of the prefecture. Duty and business taxes will be waived on equipment and raw materials imported for such enterprises and also on their products for export.

--A proportion of the products may be sold on the economic market, provided they are of superior quality and are needed in the country.

--Reduction or even exemption from land rents will be enjoyed by these enterprises. In certain cases, rents payable by an enterprise involving overseas capital may be cancelled as part of the prefecture's investment in the project.

--Part of the investor's profits may be converted into foreign currency and taken out of the country.

--Enterprises involving overseas investment remain independent, with their own decision-making power protected by law. They have the right to terminate the services of their employees according to contract. And they may decide on their own wage scale.

--All joint or co-operative enterprises should be run by the appointed managers or directors under the guidance of the board of directors.

--Overseas entrepreneurs making investments in Yantai are entitled to earn profits at a percentage higher than the average international bank interest rate. Investment terms will have some flexibility.

--The prefecture will guarantee adequate supplies of water, power, fuel and other utilities and transport facilities. Local banks will provide loans when needed.

--Experts and technicians from abroad working in Yantai will get special concessions in rate of pay and holidays.

--Procedures for entry and exit visas for representatives from overseas businesses will be simplified. All foreigners working in these enterprises will be issued long-term open visas.

Since the prefecture was formally opened to foreign investment last May, rapid progress has been made in up-grading facilities. Yantai's new airport has just opened.

A 200 megawatt generator has recently started operation at the new Longkou Power Station. It will provide electricity for Yantai via newly-build 220 kilovolt line.

Work has also begun on new port facilities in Yantai's West Harbour. And a new post and telecommunications centre is planned.

The rapid developments and promising projects of Yantai attracted last year more than 700 business visitors from Japan, the U.S., France, the Federal Republic of Germany, Italy, Switzerland and Hong Kong. Talks with them resulted in the signing of 147 contracts with a total value of more than \$100 million.

This Year of the Ox promises even greater success for our business co-operation with the outside world. We sincerely welcome visitors from all over the world to come to Yantai for business talks or for pleasure.

CSO; 4020/161

ECONOMIC MANAGEMENT

CONSTRUCTION TO BEGIN ON YANTAI ECONOMIC ZONE

HK230418 Beijing CHINA DAILY in English 23 Mar 85 Yantai Supplement p 3

[By Wang Lanting]

[Text] Yantai economic and technological development zone will be situated in a scenic spot of the east of Fulai Mountain by the west bank of the Jiahe River. It will cover 10 square kilometres.

Transport facilities are excellent; it is 10 kilometres by rail to the centre of Yantai and its port, 27 kilometres from the airport along the Yantai-Weifang Highway.

The construction of this special zone was approved by State Council last October. Its water will be supplied by the nearby Menlou Reservoir which has a capacity of 100 million cubic metres. Lungkou Power Plant which generates 60 kilowatts of electricity is to the west of the special zone.

Construction will begin in March. Plans for the overall development have been drawn up by Tianjin University with the help of 50 specialists from 29 cities.

Tenders for the first phase of construction have been accepted. The main boulevard is to be 2.6 kilometres long and 80 metres wide and is now under construction. Tenders for the building of residential blocks, service and shopping centres, office buildings, workshops and a hotel are still being considered.

Transport, electricity and communication facilities, and sewage, gas, central heating and water networks will be completed in one or two years.

A water processing plant which will supply the zone with 30,000 tons of water per day will be completed this year.

A seaside resort is also planned, and construction is expected to begin this year.

Many companies have shown their interest in these projects. The special zone will be authorized to offer favourable terms to investors in accordance with State policy. Foreign investment, joint-venture projects and compensation trade are all encouraged. Projects which have a low energy consumption, are technology intensive and environmentally safe, are at the top of the list. Food processing, textiles, tailoring, electronics, chemicals and construction materials industries are most in need of cooperation from overseas business.

CSO: 4020/161

ECONOMIC MANAGEMENT

GANSU EXPERTS AID RURAL INDUSTRIALIZATION EFFORT

OW251327 Beijing XINHUA in English 1241 GMT 25 Mar 85

[Text] Lanzhou, 23 Mar (XINHUA)--Over one thousand scientific and technical experts from this Gansu Provincial capital will be sent to the countryside this year to aid the rural industrialization effort, officials here said today.

The first group of 96, including 76 engineers and senior engineers, are already in the countryside.

Experts from cities, who will stay over a period of at least 10 days, will offer technical consultancy services to help rural factories grow and become more competitive on the market.

They are also expected to report to the provincial authorities on conditions there and the technical requirements of rural factories.

Gansu in the northwest is an underdeveloped area in China. Rural industries began springing up there in 1976--several years behind industrially advanced areas such as Jiangsu and Zhejiang Province in east China.

The province's 13,000 township-run factories now employ 250,000 people, officials said, but only 400 of them are qualified technicians.

They manufactured 550 million yuan worth of products last year, almost 30 percent more than in 1983.

Even though, Gansu was still way down the league table--25th--for rural industrial production.

CSO: 4020/161

16 April 1985

ECONOMIC MANAGEMENT

YOUNGER DIRECTORS HEAD ZHEJIANG FACTORIES

OW191048 Beijing XINHUA in English 0903 GMT 19 Mar 85

[Text] Hangzhou, 19 Mar (XINHUA)--The directors of 34 key factories in Zhejiang Province have been replaced by younger college graduates, according to the provincial authorities.

People with higher education are expected to be promoted to directorships of another 19 major factories over the next three months, an official said.

In all, the 53 factories account for 38 percent of Zhejiang's industrial production value, and nearly half of its industrial profits and taxes. Their products include silks, cotton, tires, petrochemicals and chemicals.

Promoting younger, competent people with expertise to leading posts is a major part of the ongoing nationwide drive to streamline enterprises.

Of the 86 new factory executives, 78 are college graduates, mostly in their early forties. They have been chosen via recommendations or elections involving workers and office staff, the official said.

Previously, all executives were appointed by higher authorities.

The director is empowered to appoint deputy directors, and workshop and section heads, who should be well-educated people.

The new directors have been quick to respond to market demand for urgently needed products. For example, Du Derun, 45, director of the Hangzhou No 1 cotton mill, decided in early January to install two new production lines turning out textiles suitable for making overcoats and Western suits--fast sellers on the market.

As a result, 1.75 million meters of such textiles have already been produced and sold.

The three new directors of the Hangzhou gear box plant, the largest of its kind in China, plan to triple the plant's production value to 100 million yuan annually by 1990, and a new technology and product development center has been set up to help achieve this goal.

CSO: 4020/161

ECONOMIC MANAGEMENT

XINJIANG HOLDS CONFERENCE ON CONSOLIDATING ENTERPRISES

HK280117 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 26 Mar 85

[Excerpts] At an enlarged conference held yesterday by the regional leading groups for consolidating enterprises, Zhang Sixue, standing committee member of the Regional CPC Committee, said that we should seek high quality, set demands, and do well from start to finish when consolidating enterprises. We should strive to accomplish a full-scale consolidation of the region's enterprises by the end of this year.

He said: The region has made remarkable achievements in consolidating enterprises. However, the development has been unbalanced. Some units are still making slow progress.

Zhang Sixue stressed that in order to fulfill the full-scale consolidation of enterprises, various localities must seriously grasp well the following points:

1. We should strengthen the leadership over this work, perfect the system, and augment the number of workers engaging in the work.
2. We should grasp well the readjustment and building of enterprises leading groups.
3. We should have the party rectification expedite the pace of reforms and conduct consolidation by transcending the limits of a single enterprise.
4. We should re-examine enterprises which have passed the previous consolidation, revoke the certificates of those which have made serious mistakes, and help enterprises consolidate their achievements.
5. We should organize groups for providing professional guidance. The groups should go down to the prefectures, autonomous prefectures and counties and help small enterprises dealing in the same profession to conduct consolidation so as to expedite their pace of consolidation.

CSO: 4006/495

ECONOMIC MANAGEMENT

REPORTER'S COMMENTARY ON PRODUCTION SAFETY

SK250341 Changchun Jilin Provincial Service in Mandarin 1030 GMT 23 Mar 85

[Station reporter commentary: "Strengthen the Safety Work in Order to Consolidate and Develop the Province's Excellent Situation in the Economy"]

[Text] Though our province has made steady progress in industrial production since the beginning of 1985, it has not achieved a fundamental turn for the better in production safety. According to statistics compiled by the department concerned, industrial enterprises at or above the country level throughout the province had an increase in the number of fatal and injurious accidents over the figure of the corresponding 1984 period. The province lost more than 1 million yuan from fire accidents. In January and February this year, there was a 26.9-percent increase in traffic accidents over the figure of corresponding 1984 period. Though the reasons for the increase in accidents are various, to put them briefly, it is mainly because the departments in charge of the economy at all levels and some enterprises have not fostered a firm viewpoint of putting safety and prevention first. In conducting their practical work, they paid attention only to production and ignored operation safety. Some enterprises had a chaotic management, had unhealthy practices in their rules and regulations, had not implemented the measures for maintaining production safety, had lagged behind in safety education, and had conducted command and operation of production by violating the rules and regulations.

Production safety is not only related to the safety of the people's life and property, but also directly affects economic returns. Under the current new situation prevailing in conducting reforms among economic systems, safety measures must be strengthened. In organizing production, perfect procedures should be based on the integration among high yield, quality, and efficiency, low costs, and production safety. It is imperative to correct the viewpoint of setting safety against production. The departments in charge of production management at all levels and enterprises should vigorously upgrade their understanding to production safety and should firmly foster the viewpoint of putting safety and prevention first. Efforts should be made to uphold the principle of simultaneously conducting management in both production and safety measures. Enterprises themselves should set forth the target of production safety simultaneously with others while enforcing contract systems and should strengthen their management over production safety in a down-to-earth manner. Leading personnel should take personal charge of production safety. All in all,

various localities and departments should earnestly sum up their experience and lessons gained in their work and should adopt positive and effective measures for pushing the work of conducting production safety to a new level so as to promote the development of production and ensure smooth progress in the drive of conducting reforms.

CSO: 4006/495

ECONOMIC MANAGEMENT

TIANJIN DISCUSSES DEVELOPMENT OF INDIVIDUAL SECTOR OF ECONOMY

SK250540 Tianjin City Service in Mandarin 0030 GMT 24 Mar 85

[Excerpts] Yesterday, the municipal people's government assembled responsible comrades of pertinent committees, districts, and bureaus to study and work out plans for development of urban and rural individual sectors of the economy.

Since the 3d Plenary Session of the 11th CPC Central Committee, the individual sector of the economy has been developed fairly quickly. The overall situation has been good. However, there are indeed some practical problems which have to be solved correctly in order to further expand the urban and rural individual sector of the economy. First, we should eliminate the influence of the leftist ideas, and fully understand the position and functions of the individual sector in the national economy and the objective necessity of its existence and development. Development of the individual sector of the economy is not a temporary measure but a long-term principle. In view of the leftist influence hindering the development of the individual economy, we should correct our practice of dispersing, restricting, and excluding the individual economy when doing our practical work, and correctly implement the principle of treating the state, collective and individual sectors of the economy equally politically and economically. Second, in expanding tertiary industry, we should give full play to the role of the individual economy. In our current efforts to develop tertiary industry, we should place emphasis on retail commerce, and catering, service, and repair trades in order to resolve the difficulty in the people's lives. Third, we should adopt effective measures to actively support the development of the individual economy. The central authorities have formulated principles and regulations for the development of the individual economy. The key is to implement them. First of all, we should step up efforts to find places for individuals to start businesses. District governments and city appearance, urban construction, planning, and traffic administration departments should proceed from reality, adopt measures suitable for specific local conditions, take the overall situation into account, and make rational arrangements. Supply and commercial departments should actively supply materials and goods needed by urban individual business in line with relevant regulations. Banks should support individual business with credit in line with relevant regulations. Tax departments should levy taxes according to law and prevent tax evasion or duplicate taxation in order to solve the problem of uneven taxation. With regard to the fees charged from self-employed industrialists and businessmen, departments concerned should strengthen them out in line with the regulations of the municipal

government. Fourth, we should protect the legal rights and interests of self-employed industrialists and businessmen according to law. All departments concerned should handle the affairs of self-employed industrialists and businessmen according to law. They should not replace policies with emotions, still less act wilfully. State personnel should be educated to carry out policies correctly, strictly enforce laws and discipline, and act according to law. Those who knowingly violate laws, replace the laws with their authority, and wantonly infringe upon the legal rights and interests of self-employed industrialists and businessmen should be dealt with sternly.

CSO: 4006/495

ECONOMIC MANAGEMENT

JIANGXI GOVERNOR TALKS ON HOUSEHOLD-RUN INDUSTRY

OW222323 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 19 Apr 85

[Excerpt] According to a report by this station's reporters (Hu Xiaoting) and (Fang Ai), and a Jiangxi University probationary student (Qian Wanqing), yesterday, during his reception of representatives to the provincial forum on rural household and household-run industries, provincial party committee Secretary and Governor Zhao Zengyi proposed three attentions and eight services on the question of how to assist rural household and household-run industries.

Governor Zhao emphatically pointed out: To rejuvenate Jiangxi's economy in a comprehensive way, by proceeding from our concrete situation, it is necessary to bring into full play the superiority of agriculture. To bring into full play such superiority, it is imperative to carry out in-depth reform, and readjust the rural industrial structure. Last year, Jiangxi's agricultural development rate was lower than the national average. The lower rate lay in the diversified economy and the town and village enterprises, and the slow speed of development of the town and village industries lay in that of the development of household and household-run industries. The facts that the speed of economic development in Zhejiang, Jiangsu, Anhui, and Fujian, as well as in our province's Yichun and Wanzai [prefectures], was relatively faster, and that the peasants' per-capita net income in these places increased on a larger scale all explained that, to rejuvenate Jiangxi's economy, it is imperative to solve the problems caused by the two short legs--diversified economy, and town and village industries. It is especially necessary to vigorously develop town and village industries. Among such industries, the more important, the faster emerging, and the greater in volume are the household and household-run industries.

Governor Zhao said: To speed the development of town and village industries, especially household and household-run industries, it is necessary to pay attention to solving three problems. First, raise understanding. Leaders at all levels should fully understand the strategic position of the development of town and village industries, and that of the household and household-run industries, in the rejuvenation of Jiangxi's economy; concentrate the energy of leadership on such aspects; and spend time and effort on such aspects. Second, positive assistance. To develop household and household-run enterprises, the assistance of leaders at all levels is of great importance.

We should adopt a series of strong measures to provide assistance for the household and household-run industries in respect of policies and methods. Third, create models. The household and household-run enterprises are rising in our province, and many model ones have emerged. Leaders at all levels should thoughtfully find out, sum up, and create models, and use the experience of the models to lead the way.

CSO: 4006/495

ECONOMIC MANAGEMENT

YUNNAN GOVERNMENT MEETING SETS TASKS FOR YEAR

HK240537 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 23 Mar 85

[Excerpt] The provincial government recently held a conference of responsible comrades of prefectures and autonomous prefectures to discuss the province's economic work for this year. The meeting decided that, under the premise of improving economic results, the province should strive to make the following four breakthroughs: Total industrial and agricultural output value to show a rise of more than 3 billion yuan over last year's increase; total output value of township enterprises to exceed 2.5 billion yuan; average peasant net income to exceed 370 yuan; and financial revenue to exceed 2.2 billion yuan. The conference discussed and studied measures for achieving these goals of endeavor, the main ones being as follows:

1. Launch a mass discussion on getting rich through a 100 yuan increase. Strive to achieve notable results in readjusting the production structure and developing township enterprises, especially industry operated by households and combinations of households. It is necessary to strive to improve grain yields and strive for a steady rise in total output. The province should strive for an increase of 100,000 in the number of enterprises run by households or combinations of households.
2. Get a good grasp of reform of the urban economic structure and further invigorate the enterprises, especially large and medium enterprises.
3. Organize industry and communications well. It is necessary to assign an important position to production of consumer goods, get a good grasp of technological transformation of the enterprises, grasp the weak links, work to increase output, tap potentials, practice economy, and strive to improve the transport shortage.
4. Make good arrangements for the urban and rural markets and keep prices stable.
5. Actively promote the work of opening up to the world. Apart from implementing the contracts signed for projects last year, the province should strive to reach agreement with other provinces for a further 1,000 cooperation projects this year, and also achieve new growth in projects and capital imported from abroad.

6. Strictly control currency in circulation and do a good job in controlling credit capital.

7. Resolutely curb malpractices, to ensure the smooth progress of reform.

CSO: 4006/495

ECONOMIC MANAGEMENT

HEILONGJIANG BLUEPRINT OF ECONOMIC ZONAL DIVISIONS

SK260117 Harbin HEILONGJIANG RIBAO in Chinese 11 Mar 85 p 2

[Interview by Reporter Lu Xuebin with He Yongqi, chairman of the provincial Rural Development Research Center: "How Does the Province Divide Its Economic Zones?"]

[Text] In early March, during the provincial seminar on the strategic plan of rural development, our reporter conducted an interview with He Yongqi, chairman of the provincial Rural Development Research Center, to inquire about his views on dividing economic zones throughout the province.

At the seminar, He Yongqi read an academic paper entitled "The Strategic Outline of Developing Economic Zones Throughout Heilongjiang Province," which brought attention to all participants at the seminar. He stated: The paper was an achievement scored by collective research and I am only responsible for reading it. He held that success in dividing economic zones throughout the province would fully play its role in the following three aspects: 1) Serve the work of formulating macropolicy decisions; 2) Create convenient conditions for guiding economic construction in line with the local actual situation; 3) Provide favorable conditions for getting clear or readjusting the economic relationship between different zones and for fully bringing into further play the total function of material resources throughout the province.

In referring to the principles and basis of dividing economic zones, he stated: We cannot follow the road of capitalist countries, on which urban areas exploit rural areas, but we should adopt the measures of conducting mutual encouragement, supplement, and coordination, and should make full use of the rich material foundation and technical forces of urban areas and the rich material resources of rural areas to divide several economic zones in which rural villages are regarded as a foundation; urban areas are regarded as a prop; towns having a trade fair are regarded as centers of economic network, coordinative systems are set up between urban and rural areas; the size of zones is various; the open-door policy is enforced; and economic network is effective. To this end, we need to be provided with the following four conditions: 1. We need to have natural economic conditions that are favorable for bringing into play the strong point of local material resources. 2. We need to have a communication and transportation network that is favorable for conducting commodity circulation. 3. We need to have a better industrial structure that is favorable for making

rational arrangements among production forces. 4. We need to set up economic centers full of economic attractions that is favorable for enforcing the open-door policy in order to enliven the domestic economy.

Then, he introduced the plan for dividing economic zones throughout the province and stated: According to the principles and basis mentioned above, we may divide our province into the following eight basic economic zones: There are the Harbin zone (that can have jurisdiction over 1 city and 5 counties); the Qiqihar zone (that can have jurisdiction over 1 city and 9 counties); the Jagdaqi zone (that can have jurisdiction over 3 counties and 4 districts); the Heibei zone (that can have jurisdiction over 3 cities and 4 counties); the Yichun zone (that can have jurisdiction over 1 city and 2 counties); the Jiamusi zone (that can have jurisdiction over 1 city and 13 counties); and the Mudanjiang zone (that can have jurisdiction over 3 cities and 8 counties). To make things convenient for conducting guidance over economic construction among economic zones, we should also divide the eight basic economic zones into the following three large economic regions: The "Song-Nen" economic region will contain the Harbin, Daqing, and Qiqihar basic economic zones, which is endowed with only a small acreage of land, and its density of population and proportion of output value are large, as well as which is the most developed area in production, technology, and in the economy throughout the province. The "Sanjiang" economic region will contain the Mudanjiang and Jiamusi basic economic zones, which is a relatively developed area in production, technology, and in the economy of the province. The "Xingan" economic region will contain the Yichun, Jagdaqi, and Heibei basic economic zones, which is the less developed area in production, technology, and in the economy of the province. Only by doing so can we lay particular emphasis on the guidance over economic construction, make things convenient for bringing into play the local strong point, and reach the goal in which urban areas support rural villages; industries support agriculture; developed areas support less developed ones; households that have become wealthy ahead of others support backward ones; and the people are exerting efforts to mutually get wealthy.

He also emphatically pointed out: To fulfill the province's plan for dividing economic zones, we must do a good job in dealing with the relationship between urban and rural areas, between industry and agriculture, between production specialization and comprehensive development, between economic zones and administrative ones; and among the tasks of dividing economic zones, dividing zones in line with natural conditions, and of dividing economic zones in line with departmental jurisdiction.

In conclusion, he stressed: In conducting guidance over the development of the province's macroeconomy, we should regard as a prop the "Song-nen" economic region that has achieved development and enable the region to support the "Sanjiang" economic region that is under development and to vigorously support the "Xingan" economic region that is striving to achieve development.

CSO: 4006/495

ECONOMIC MANAGEMENT

HOTHOH EXPANDS COOPERATION WITH ULANQAB

SK210410 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 16 Mar 85

[Text] Hohhot City and Ulanqab League have extensively carried out interregional economic and technical cooperation on the principle of mutual support, equality, mutual benefit, enjoying favorable terms on a priority basis, and joint development. In economic development, Hohhot City has traditional economic contacts with Ulanqab League, forming very closed relations.

In order to consolidate and develop the lateral economic relations between the two localities, smash the barriers between various localities and trades, and form a network-like economic zone step by step where there are both international and external cooperation, the responsible party and government comrades of Hohhot City and Ulanqab League and responsible persons of other relevant departments, through contacts and discussions, decided last February to carry out multilayered and multichanneled cooperation in the economic, technical, scientific and educational fields and in exchanging personnel and information. Both parties agreed: Ulanqab League will establish industrial raw material bases for providing mineral products, building materials, and fur for Hohhot City, and agricultural bases for providing a steady supply of meat, milk, eggs, poultry, fish, and other farm, livestock, and native products for Hohhot. Hohhot City will actively support Ulanqab League with funds and technology and will help it circulate industrial products, establish township enterprises, and develop tertiary industry in order to enliven Ulanqab's economy. Economic cooperation between the two will be in various forms. Their developmental projects will include joint ventures, imports, and internal cooperation which will be carried out in the form of joint capital, joint management and compensation trade. In the exchange of materials and products, both will set up their own selling centers or commission purchasing and marketing centers. Technical transformation will be carried out through technical consultation, technical services, and training.

Both parties also decided to proceed from reality in determining the scope and scale of training and to start on a small scale going to a large scale and from an easy aspect to a hard one while rapidly developing training.

Hohhot City and (Qixiaying) Town in Zhuozhi County have jointly defined their first-stage economic development items. In commerce and material exchange, (Qixiaying) Town in Zhuozhi County will set up knitwear, native products, and

grain retail departments and commission units in Hohhot. Hohhot City will set up beer, woollen textile products, clothings, hardware, rubber and electric products, and wooden tools retail departments and commission units. They also decided to jointly hold two material exchange meetings in a year, in spring and autumn, in (Qixiaying) Town and Hohhot City. The first meeting is planned for this June in Hohhot. In technical cooperation, Hohhot City will provide technical assistance for (Qixiaying) Town in Zhouzi County to make pastries and to process bean sauce and edible vinegar. In addition, they will also carry out some innovation, and cooperative operational items.

CSO: 4006/495

ECONOMIC MANAGEMENT

HAINAN'S HAIKOU CITY RAPIDLY EXPANDS ECONOMIC CONSTRUCTION

HK190802 Haikou Hainan Island Service in Mandarin 0400 GMT 18 Mar 85

[Excerpts] Haikou City has adhered to the policy of opening to the outside world and invigorating the domestic economy. Its economic construction developed in an all-round way and by leaps and bounds last year.

According to statistics, Haikou City's gross industrial output value amounted to 353.41 million yuan last year. The city's gross industrial output value last year was 50.2 percent more than the preceding year. Its gross agricultural output value reached 23.27 million yuan, an increase of 10.5 percent over the preceding year. The amount of retail commodities in society reached 347.81 million yuan, recording an increase of 50.3 percent over the preceding year. Its revenue was 233.41 million yuan, 670 percent more than in the preceding year. The amount of urban and rural savings deposits was 137.81 million yuan, 74.1 percent more than in the preceding year. Last year the whole city signed contracts for 146 projects concerning cooperation with counterpart organizations and of importing advanced technology and equipment, whose total amount of investment was some 174 million yuan, HK\$53.5 million, and U.S. \$231.05 million. The number of cooperative projects and the amount of investment was approximately 100 times greater than in the preceding year. Urban construction, in which 9.1 million yuan had been invested, was completed and was 70.8 percent more than the preceding year.

Last year Haikou City promoted the work of opening to the outside world with reform and promoted the exploitation with the work of opening to the outside world. The City CPC Committee and the city government began with reform and grasped improving the quality of current enterprises, readjusting the production structure, and fully tapping production potentials as a basic way to speed up economic exploitation. They rectified the leadership groups of all enterprises throughout the city and promoted a large number of technicians who possess knowledge and experience in management to reinforce the leadership groups of enterprises. Moreover, they conducted training in rotation for some 13,600 cadres and workers who were released from their regular jobs, or during their spare time, thus further improving the quality of the ranks of workers. In light of the market needs, they readjusted the industrial and agricultural production structure and produced new products. Last year electronics and textile industrial production quickly developed. The output value of these two categories of products was 14 times greater than in the preceding

year and accounted for 32.2 percent of the city's gross industrial output value. The past industrial production structure with food and rubber processing as the main work was changed.

The suburbs of the city vigorously developed sugarcane, vegetables, and industrial and sideline production, changing the past arrangements for production with planting paddy and oil-bearing crops as the main work. Thus, the commodity rate in agricultural production increased from 57 percent the year before last to 68 percent now. In addition, the city seriously grasped well technical transformation in existing enterprises and their reconstruction and expansion.

CSO: 4006/495

ECONOMIC MANAGEMENT

FORUM DISCUSSES SHANGHAI URBAN ECONOMIC REFORM

HK131005 Shanghai SHIJIE JINGJI DAOBAO in Chinese 13 Feb 85 p 5

[Report by Lu Mingli [7120 2494 7787]: "Summary of Shanghai Forum on Reform of Urban Economic Structure"--passages within slantlines published in bold-face]

[Text] Having worked out the strategy for Shanghai's economic development, the 3-day Shanghai symposium on reform of the urban economic structure concluded. During the symposium, participants from institutes of higher learning, theoretical study departments, and departments in charge of vocational work joined in the discussion on theoretical and practical problems emerging in the reform in accordance with the principle of emancipating the mind and seeking truth from facts, expressed their opinions, and put forth many proposals. The following is a summary of their opinions and proposals.

How To Invigorate Enterprises

/Enterprises must be vested with genuine decisionmaking power in management; it is necessary to conscientiously give full play to the initiative of enterprises and their staffs; and state-owned small-sized enterprises must be reformed according to the methods of changing, shifting, lease, selling, and joint management/

The invigorating of enterprises is the key link in the reform of the urban economic structure. What does the invigorating of enterprises mean? The participants in the symposium summed up briefly the following five aspects: to conscientiously give full play to the initiative, enthusiasm, and creativeness of the staff; to vest in enterprises the decisionmaking power in management and effect the unity of duty, authority, and interests; to improve the quality and management of enterprises; and to ensure rapid information communication between enterprises and set up a sound business intelligence network. How should we invigorate enterprises? Some participants in the symposium put forth the formula of three "ones" and three "manys," namely, every enterprise should be responsible to only one superior department and there should be many channels, including trade associations, consultative organizations, and so on, to render service to enterprises; there should only be one person, that is, the plant manager, taking overall responsibility for the management of an enterprise, while the party committee and trade unions should

assist him in as many ways as possible in management; and the operation of an enterprise should be governed by only one set of regulations, while many economic levers should play regulatory roles.

In order to invigorate state-owned small-sized enterprises, we must first of all carry out reform of these enterprises' ownership system and their management methods. The participants in the symposium thought this could be achieved by the five methods of changing, shifting, leasing, selling, and joint management: changing meaning to change enterprises under ownership by the whole people into enterprises under collective ownership; shifting meaning to shift to the system of ownership by the state and management by the collective; leasing meaning to operate and control enterprises under lease; selling meaning to pool funds by selling the properties of an enterprise to its staff and thus turning the enterprise into a cooperative economic entity; and joint management meaning to allow enterprises to combine into groups on a voluntary basis and to operate under a joint management system.

Collective-run and state-owned enterprises should be treated equally. It is necessary to curb both the tendency of attaching importance solely to collective-run enterprises, while underestimating the role of enterprises under ownership by the whole people, and that of preserving the interests of enterprises under ownership by the whole people at the expense of the interests of collective-run enterprises.

How To Ease the Shortage of Raw Materials

/Make use of foreign exchange retained by local units to import materials in short supply; cooperate with other provinces and cities to build raw material supply bases; and reform the pricing system so as to attract more capital goods to the Shanghai market/

The serious shortage of major raw materials is a conspicuous factor affecting the development of economic construction in Shanghai. To cope with this problem, the participants in the symposium put forward three suggestions:

Make use of foreign exchange retained by local units to import materials in short supply. As the state has raised the proportion of foreign exchange retained by Shanghai, the municipality can import more materials. The crux of the problem lies in the efficient utilization of this portion of foreign exchange. Half of the retained foreign exchange can be handled by local authorities, while the rest can be distributed among enterprises. So far there has been failure to use the portion distributed among enterprises in a fully efficient way. It is suggested that "these dispersed funds be pooled" and be handed over to authorized foreign trade or material supply departments to arrange the import of materials needed; or that material supply departments establish "foreign currency material supply shops" where enterprises can buy the goods they need for the foreign currency they hold.

It is necessary to vigorously promote economic cooperation with other provinces and cities and to build up in a planned way a number of raw materials production and supply bases. As the largest economic center in China, Shanghai has

excellent conditions for promoting economic cooperation. Other provinces and cities also wish to strengthen economic and technological cooperation with Shanghai. Now the crux of the problem lies in whether we can work out an overall plan, with the whole situation taken into consideration, and carry it out at multiple levels, through multiple channels, and in various forms so as to secure long-term stable, and ample supply of material resources.

Attract more capital goods to the Shanghai market by giving full play to the laws of value and lifting restrictions on the pricing system. At present, as too rigid restrictions have been imposed on the prices of capital goods in Shanghai, price levels remains too low and a market does not exist to attract surplus materials not covered by the supply quotas. This situation is unfavorable to the flow of goods between Shanghai and other provinces and cities. People in Shanghai must emancipate their minds and act according to the law of value. First of all, the restrictions on negotiated prices must be lifted so that the prices of surplus capital goods not covered by supply quotas can be raised to a level close to or at little higher than the average price level of the country. Only in this way can capital goods be attracted to Shanghai. Some participants said: Production of materials is no longer a problem. We can get everything as long as the pricing system is straightened out and the circulation channels are dredged.

Combine and Make Good Use of Various Economic Levers

/Adopt a correct financial orientation; carry out macroscopic economic regulation; reform the existing taxation policy which is unfavorable to the development of enterprises; readjust prices; and effect three changes in commodity pricing policy/

If we want to manipulate economic operation in accordance with the needs of planned commodity economy, we must get rid of the old practice, which in the main attaches importance to administrative means, and combine finance, taxation, subsidization, commodity prices, salaries, credit, and other economic levers. The participants in the symposium maintained that the key task at present is to attach due importance to the role of these economic means which we were not used to in the past.

First of all, it is necessary to adopt a correct orientation for financial work. In the period of revolutionary war, we concentrated financial work on fund raising and did not have to take care of macroscopic control and regulation of the economy. Obviously, such an approach is no longer applicable to present-day circumstances. This approach comprises a set of rules which, designed to meet the needs of natural economy and characterized by the simple, one-way, economy-to-finance concept, attaches importance solely to "collection of wealth" while ignoring the "creation of wealth" and "use of wealth." Under the guidance of this business orientation, our financial departments have paid less attention to the role of financial policy and economic levers. On the contrary, they have implemented the principle of "centralized control over financial revenue and expenditure" of enterprises, carried out the system of "eating from the same big pot" in material supply, and overlooked the decision-making power of enterprises as relatively independent commodity producers and

business dealers. As a result, our financial departments have lost control over the macroscopic economy, with too rigid restrictions imposed on the microscopic economy. The participants in the symposium put forth that economy and finance should form an endless cycle and should act on each other---economic development can open up new financial resources and financial distribution, in its turn, can also influence economy.

Taxation is a major economic lever for regulating the production process of enterprises. The participants in the symposium pointed out that the taxation policy currently implemented in Shanghai is unfavorable to enterprises' development. In the first place, the tax rate is too high. With a tax rate as high as 56 percent, Sweden is the country with the highest tax rate in the world. However, Shanghai's tax rate is 70 percent. This is very unfavorable to the enterprise's technological transformation and expanded reproduction. Second, local authorities do not have the power to take flexible measures in taxation affairs. In order to secure a certain degree of decisionmaking power in taxation affairs, local authorities must be able to receive a fairly high and stable income and must set up a relatively complete local taxation system. Local authorities must start exacting, step by step, charges for the use of land, and levying taxes for urban maintenance and construction and taxes for overall capital construction, as well as stamp duty, real estate tax, and so on.

At present, as the country's financial resources are limited, it is not possible for the three tasks, namely, the adjustment of commodity prices, raising of salaries, and capital construction, to be tackled simultaneously. However, we must first straighten out the commodity pricing system. We can start the adjustment of commodity prices by taking the following measures: adjusting the prices of those products related to land; and exacting charges for the use of land, thus changing free use of land into use of land on a payment basis. These measures will not directly affect the people's livelihood. We can first reform the pricing system for those products not covered by production quotas and for new products. We can introduce price gaps between different products based on their quality; in other words, fix higher prices for products of better quality and lower prices for those of poorer quality. And we can lift the restrictions on the prices of small commodities first. The participants also suggested three changes in formulating pricing policy, namely, prices being fixed by the enterprise instead of by the stage; target cost prices instead of cost prices; and prices being fixed by industrial departments instead of by commercial departments.

To Make a Breakthrough in the Standstill in Foreign Trade

/Adopt specific policies to boost foreign trade and vest greater decisionmaking power in departments concerned; readjust production mix so as to raise enterprises' competitive power in the international market; and set up transnational companies in cooperation with foreign firms so as to enter the international market/

Shanghai must be geared to the international market and serve as a stronghold of Chinese enterprises in their efforts to "march on the world." Shanghai must

force its way into the international market and become an international trade center. This is a prime consideration in Shanghai's economic development strategy. However, in the past few years, Shanghai has failed to give full play to its favorable conditions as a city on the golden coast; its foreign trade has stagnated while the country's total foreign trade volume keeps on growing. The participants in the symposium held that the Shanghai Municipal Government should adopt some specific policies to boost foreign trade. For example, give more preferential treatment in respect of taxation, credit, retention of foreign exchange earnings, transport facilities, and so on. Foreign trade enterprises, like industrial enterprises, should be allowed to expand their decisionmaking power. Shanghai must be geared to competition in the international market and reshape its production mix step by step into an open cyclic system possessing competitive power in the international market, thus becoming part of the international economic development system. Shanghai can also establish transnational companies in cooperation with Hong Kong, overseas Chinese, and foreign interests, thus promoting Shanghai products in the international market. For example, by setting up a joint enterprise in cooperation with a Canadian firm, the Shanghai Meilin canned food factory has been able to export canned food products to the food market in (Portland Ford) [Bo lan fu te 3134 5695 4395 3676] City, Canada. This is a really good beginning. Recently, the Beijing No 1 Machine Tool Plant and the Hong Kong (Susanto) [su shan duo 5685 1472 1122] group joined together to buy all the properties, creditor's rights, trade marks, patents, and technology of (Haoduo) [Hao duo 1170 1122] numerical control machine company. Shanghai has bright prospects in expanding business in this way.

How Will the Government Manage the Economy After Separation of Government Administration and Enterprise Management

/Provide policy guidance; take care of legislation, judicial work, and overall planning and coordination; supervise services; make more efficient use of economic levers and all material resources controlled by the state; reduce vertical administrative levels; and develop horizontal economic ties/

In the past, the government has imposed too rigid restrictions on enterprises and overlooked the overall administration of the social economy and the role of the law of value and economic levers. The current reform of the urban economic structure will enforce a separation between government administration and enterprise management as a step toward invigorating the enterprises. This development will call for a corresponding change in the municipal government's economic administration system. Thus, the municipal government will only play its role in providing policy guidance, taking care of legislation and judicial work, overall coordination, and supervising services. Accordingly, there will be a great change in the government's method of economic administration. Some participants in the symposium pointed out that this change involves a reduction of direct control and an upgrading of indirect administration. The government can no longer continue with the old system of direct control over enterprises' production, supply, marketing, personnel, finance, and material resources. Those general economic activities of enterprises can be coordinated through indirect administrative means, that is, through developing various social organizations, such as trade associations, cooperative organizations, and some

service organizations. It is necessary to make more efficient use of economic means in place of administrative means. To be sure, we still have to make use of such administrative means as administrative orders and administrative intervention. But, after all, we have to make more efficient use of such economic levers as pricing systems, taxation, credit, subsidization, salaries, bonuses, and so on, as well as material resources controlled by the state, so as to ensure that thousands of enterprises will carry out various economic activities along the lines laid down by the state policy and plan. It is necessary to reduce vertical administrative levels, to develop horizontal economic ties, to streamline economic administrative organizations, and to abolish redundant links and levels. All enterprises must remove all the barriers between them resulting from the separation of different areas, departments, and systems of ownership, and vigorously develop horizontal economic ties.

CSO: 4006/495

ECONOMIC MANAGEMENT

RENMIN RIBAO ON FACTORY DIRECTORS RESPONSIBILITY

OW060650 Beijing XINHUA in English 0637 GMT 6 Mar 85

[Text] Beijing, 6 Mar (XINHUA)--Factory directors must put state interests above all else, says a PEOPLE'S DAILY commentary today.

"This means attaching primary importance to the overall and long-range interests of the working class," the commentary notes.

Therefore, state interests should always come first in weighing the interests of state, enterprises and workers.

It is an unqualified director who does not always put state interests first, it says.

The commentary praises many directors for good behavior in this regard and criticizes some who take only their factory interests into account to the neglect of state interests.

It denounces such malpractices as the arbitrary inclusion of expenses in production costs, delaying payment of profits and taxes due to the state, raising prices without approval to shift the burden onto the state and consumer and diverting production funds or bank loans to increase workers' incomes.

The commentary describes these as "unhealthy tendencies" in the ongoing economic reform.

The reform should indeed benefit workers, it says, noting that only when workers' incomes are linked to productivity can their initiative for production be effectively maintained.

But it must be made clear that higher workers' incomes can be based only on increased production and economic efficiency. Under no circumstances can the interests of the state and consumer be harmed, the commentary stresses.

The PEOPLE'S DAILY also reports that many directors in Shanghai have called for a halt to excessive bonuses in cash or kind. They said directors must use their powers properly and do their best for the state.

ECONOMIC MANAGEMENT

BRIEFS

URBAN COLLECTIVE ECONOMY MEETING CONCLUDES The provincial conference on urban collective economy, convened by the provincial CPC committee and government, concluded in Lanzhou on 25 March. The provincial CPC committee and government proposed at the meeting that it is necessary to greatly develop the urban collective economy in the next few years and achieve a new breakthrough, beginning this year, by attaining annual output value of urban collective economy of 770 million yuan. To achieve this goal, it is first necessary to further eliminate leftist ideological influence, correct the ideological line, and get rid of the erroneous view of being impatient to upgrade collective economy and make the transition. Collective economy and state-owned economy should coexist for a long time and stimulate each other. Jia Zhijie, deputy secretary of the provincial CPC committee, presided at the meeting on 25 March. Governor Chen Guangyi made a speech. [Excerpts] [Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 25 Mar 85 HK]

NEI MONGGOL TOWNSHIP ENTERPRISES--According to statistics, Nei Monggol Autonomous Region increased its enterprises run by townships, towns, and villages to 13,250 in 1984. In addition, there were some 75,000 joint enterprises operated by peasants and herdsmen and enterprises run by individual households in the region. More than 400,000 peasants and herdsmen left the land to engage in industrial and commercial production. Last year, the total income of the region's township enterprises reached 993 million yuan, amounting to 17.7 percent of the economic output value of rural and pastoral areas. Banners and counties whose income from township enterprises exceeded 10 million yuan increased from 13 in 1983 to 27. In areas where enterprises run by townships, towns, and villages were fairly developed, the income of such enterprises accounted for more than 70 percent of the total income of these areas. [Excerpts] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 11 Mar 85 SK]

HEILONGJIANG EFFICIENCY IN ENTERPRISE CONSOLIDATION--In 1985, Heilongjiang Province will invest 2.048 billion yuan in technical renovations among the 42 major enterprises throughout the province. According to statistics, following the accomplishment of these technical renovations these enterprises will increase their annual output value from 2.245 billion yuan at present to more than 5.2 billion yuan in the future and increase their taxes and profits from 515 million yuan at present to more than 830 million yuan in the future. [Excerpts] [Harbin HEILONGJIANG RIBAO in Chinese 3 Mar 85 p 1 SK]

MINERAL RESOURCES

BRIEFS

GUANGXI ENCOURAGES NONFERROUS METAL PRODUCTION--Nanning, 26 Mar (XINHUA)--For the first time rural collectives in the Quangxi Zhuang Autonomous Region are being encouraged to mine local nonferrous metals resources. As a result, according to regional mining authorities today, the region's nonferrous metals industry registered a 35.61 percent increase in output value in the first two months of this year, compared to the same period of 1984. The increase was nearly 20 percent for mines run by county authorities and townships. Guangxi, in southwest China, ranks first in the country in the known reserves of tin, and is among the top producers of antimony, zinc, tungsten and lead. Of late, Chinese leaders have repeatedly stressed the need to let rural collectives and individual peasants start mines to supplement the state's efforts. [Text]
[Beijing XINHUA in English 0637 GMT 26 Mar 85 OW]

CSO: 4020/161

INDUSTRY

AUTOMOBILE CORPORATION TO DOUBLE OUTPUT IN 1985

OW200941 Beijing, XINHUA in English 0818 GMT 20 Mar 85

[Text] Shanghai, 20 Mar (XINHUA)--The Shanghai Automobile Corporation plans to double its output to 13,000 sedan cars this year in the course of an ambitious shake-up of its technical and managerial departments, according to corporation officials.

The corporation will also increase production of minibuses and four-ton trucks, and test a number of new models including motorcycles and heavy-duty trucks.

It plans to focus its attention on updating technology at the Shanghai Automobile Plant in Anting, 30 kilometers northwest of the city, the largest sedan car factory in China.

The program will be run as a joint venture with the Volkswagen Company of Federal Germany under a contract signed last October.

A 3,000-square meter assembly shop and a paint shop are now under construction at Anting. Their completion will boost the plant's daily output of Shanghai-Santana sedans to 32 from its present six.

The plant began assembling the Volkswagen-designed Santana in 1983. It has so far produced more than 1,000, and plans to increase output to 8,000 this year.

Follow-up technology import programs will further boost assembly capacity to 100 Santanas a day next year. The Anting plant expects to be producing 30,000 of the vehicles a year by 1987. A factory making 100,000 engines a year will also be built.

After the first phase of the technology update program, the Shanghai-Volkswagen Corporation will increase its investment in equipment and new models in a drive to boost its output to 300,000 cars and 500,000 engines annually by 1995.

The renovation program also includes imports of advanced technology for Shanghai's auto parts industry. By 1989, over 80 percent of the parts used in the Shanghai-Santana will be produced here.

The sedan is already using Chinese-made radios, tires, lights, batteries and horns. All the parts are made with imported technology.

The corporation also plans to produce 5,000 Shanghai sedans this year before moving its production lines from the old Shanghai automobile plant to the new Shanghai automobile joint plant.

CSO: 4020/161

INDUSTRY

INDUSTRY RAISES ECONOMIC RESULTS IN PAST 4 YEARS

OW211005 Beijing XINHUA Domestic Service in Chinese 0739 GMT 17 Mar 85

[Text] Beijing, 17 Mar (XINHUA)--The statistical communique on China's economic and social development in 1984 shows that China's total industrial output value grew at a relatively rapid rate in the first 4 years of the Sixth 5-Year Plan, increasing at an average rate of 9 percent a year. However, what about the economic results of China's industrial enterprises? After visiting departments concerned for the purpose of obtaining some information, reading available data concerned, and studying the requirements set by the Sixth 5-Year Plan, this reporter discovered the following facts: since 1981, China's industrial production has developed at a fairly quick pace; moreover, economic results have also improved. The following means have been used to raise economic results:

Energy consumption has been lowered, resulting in the conservation of over 80 million tons of standard coal in 4 years. Last year, although China's total industrial output value rose 14 percent, energy consumption increased only about 6 percent. Per unit consumption of energy for many industrial products dropped sharply. For example, 2,040 kilograms of coal was consumed to produce 1 ton of steel in 1980. The figure dropped to about 1,820 kilograms in 1984. In the 4 years from 1980 to 1984, energy consumption decreased gradually while energy conservation increased year by year. As a result, more than 83 million tons of standard coal was conserved. The Sixth 5-Year Plan stipulates that energy consumption for each 100 million yuan worth of industrial output be lowered from 81,500 tons in 1980 to between 71,500 and 68,200 tons in 1985. This goal was achieved in 4 years because the consumption figure dropped to below 70,000 tons in 1984.

Marked results have been made in reducing financial losses. It is estimated that financial losses have been reduced by over 1 billion yuan. A few years ago about one-half of China's industrial enterprises operated at a loss, with the deficit amounting to over 4 billion yuan. In the past few years various departments and areas have adopted various measures to reduce financial deficits and increase profits. In 1984 subordinate enterprises of nine departments, including the medical, building materials, petroleum, chemical, light industry, and textile departments, did not have financial deficits. Of the 13 provinces and autonomous regions which had financial deficits exceeding 100 million yuan each, 8 succeeded in reducing their deficits to below 100 million yuan. The

proportion of the country's industrial enterprises operating at a loss was 11.6 percent, with the amount of financial deficits dropping to 2.1 billion yuan, which was about 2 billion less than the peak financial deficit in 1981.

The turnover of circulating funds has been shortened by 12 days. The turnover of circulating funds of China's state-run industrial enterprises was 114 days in 1980. After 4 years of efforts, this was shortened to 102 days. The acceleration of the turnover of circulating funds is of great significance to the development of the national economy. Circulating funds in the possession of state-run industrial enterprises totaled 126.6 billion yuan in 1984. Calculated on this basis, the acceleration of the turnover of circulating funds by 12 days is equivalent to saving 4 billion yuan in funds for the state.

Productivity of all workers and staff rose by over 2,000 yuan. Labor productivity of all workers and staff of China's state-run industrial enterprises practicing independent accounting was 14,109 yuan in 1984, an increase of 2,029 yuan over 1980. The Sixth 5-Year Plan stipulates that productivity of all workers and staff members be increased by an average of 2 percent a year, but the figure actually reached 4 percent in the past 4 years.

The prominent problem in the economic results of China's industrial production at present is the rise of production costs and the fairly big gap between some localities and trades.

CSO: 4006/495

INDUSTRY

WANG ENMAO ATTENDS XINJIANG FOOD INDUSTRY CONFERENCE

HKI 80927 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 13 Mar 85

[Excerpt] The regional conference on the food industry which concluded this afternoon, put forward that in future, the food industry in our region must develop with stress laid on the development of seven large categories of food-- grain, oil, meat, milk melons, fruits, and vegetables. It is necessary to adopt the method of importing technology, transforming a large number of enterprises, and developing a large number of new products to bring along the development of the food industry in our region.

The conference pointed out that to develop the food industry, we must take such measures as are suitable to local conditions. In the light of local natural resources and the market needs, we must study the orientation of the development of products and must readjust the product mix.

This conference lasted 7 days. At the conference, the spirit of the national conference on the food industry was conveyed, the national program for the development of the food industry was studied, experiences were summed up and exchanged, the Seventh 5-Year Plan for the development of the food industry in the region and some problems of policies on the development of the food industry in our region were discussed.

Leaders of the regional party and government, including Comrades Wang Enmao, Janabil, Zhang Sixue, Bai Chengming, and Tuohuti Shabier, attended the conference and delivered important speeches.

CSO: 4006/495

INDUSTRY

XINJIANG RADIO SUPPORTS DEVELOPMENT OF FOOD INDUSTRY

HK180927 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 13 Mar 85

[Station commentary: "The Food Industry Must Greatly Develop"]

[Excerpts] The food industry is one of the five large economic pillars in Xinjiang and is the main trade in ensuring a benign cycle in our region's economy. In the wake of the improvement of the urban and rural purchasing power and people's living standards, people not only want sufficient food but also want good food.

Confronting this new situation, leading cadres at all levels on the economic front in our region must greatly change their ideology and work style, must really strengthen leadership over the food industry, must persist in reform, and must make the best use of the situation to greatly develop the food industry. It is necessary to speed up technological reform of the food industry and to reform several key enterprises in accordance with the standard of the 1980's. It is imperative to vigorously support the development of [words indistinct] special food, nationality food, and children's food.

CSO: 4006/495

INDUSTRY

MINISTRY ORDERS REFRIGERATOR INDUSTRY OVERHAUL

OW231901 Beijing XINHUA in English 1612 GMT 23 Mar 85

[Text] Beijing, 23 Mar (XINHUA)--China is going to issue licenses to qualified refrigerator producers and tighten control over import of refrigerator production equipment, according to a Light Industry Ministry meeting which closed here Friday.

This is part of the urgent measures proposed by the meeting to overhaul the too many refrigerator producers in the country.

Sources at the meeting said that production of refrigerators had developed at an unprecedented pace in China; in 1984 China turned out 530,000 refrigerators, at least 10 times the number of 1980, or 32 times the figure for 1978.

The capacity of production equipment imported or to be imported according to contracts signed has already surpassed the predicted social demand between 1986 and 1990 by 100 percent.

The meeting said that import projects should be coordinated by the Ministry of Light Industry.

The meeting said that production licenses would be issued only to enterprises whose products are up to state standards and highly rated on the market and which have a high level of technology and equipment and management and good economic results.

Organized tests of products will be carried out and poor-quality products will not be allowed to be sold on the market. Enterprises which produce shoddy goods and have poor economic results will have their licenses revoked, the meeting decided.

CSO: 4020/161

INDUSTRY

SILK CORPORATION HAILS OUTPUT GROWTH IN 1984

OW232009 Beijing XINHUA in English 1431 GMT 23 Mar 85

[Text] Nanjing, 23 Mar (XINHUA)--China's silk industry is able to yield profits equal to half of its total fixed assets this year, according to the China National Silk Corporation.

The silk enterprises handed in one billion yuan in taxes and profits to the state in 1984, nine percent more than in the previous year, the corporation reported at a meeting here today.

The total output value of the silk industry in 1984 grew 17 percent over the previous year, according to the corporation.

Officials of the corporation attributed the sharp growth of the silk industry to improved management.

Jiangsu, Zhejiang, Sichuan, Guangdong and Liaoning Provinces, China's major silk producers, have integrated the processes of purchasing, production and commerce, they pointed out.

Purchasing of cocoons last year was 12 percent higher than in the previous year, and the output of silk, 13 percent more.

China produced 357,000 tons of silkworm cocoons in 1984.

The "silk rush" which began last summer with a sudden surge in the popularity of silk garments and accessories, opened up a great domestic market for the industry, with the year's total domestic sales of silk reaching 700 million meters.

China's silk industry has also developed new varieties and designs to cater to the international market. For example, Jiangsu Province provided 300 new varieties and 1,500 new designs of silk last year.

China has a long history of silk production, and today its imports of raw silk and silk fabrics make up 90 percent and 40 percent, respectively, of the world's total, according to the corporation.

CSO: 4020/161

INDUSTRY

BRIEFS

XIZANG INDUSTRIAL PRODUCTION--The output value of all enterprises directly under the Xizang Regional Industry Department by the end of February was 985,300 yuan, an increase of 25 percent over the same period last year. [Summary] [Lhasa Xizang Regional Service in Mandarin 0500 GMT 19 Mar 85 HK]

HEILONGJIANG LIGHT INDUSTRIAL ACHIEVEMENTS--In 1984, more than 100 state enterprises of the second light industries made marked progress in output and profits. They realized more than 9.9 million yuan of profits, a 45-percent increase over the 1983 figure. They reduced the number of money-losing units from 25 to 1984 to 17 in 1984 and scored a 50-percent decrease over the 1983 figure in deficit volume. [Excerpt] [Harbin HEILONGJIANG RIBAO in Chinese 7 Mar 85 p 1 SK]

NEI MONGGOL FEED-PROCESSING INDUSTRY--Nei Monggol Autonomous Region made great progress in feed-processing industry in 1984. According to statistics, the region had 73 feed-processing plants at the end of 1984. [Summary] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 18 Mar 85 SK]

CHINA'S SILK INDUSTRY RAPIDLY DEVELOPS--Nanjing, 22 Mar (XINHUA)--China's silk trade has made new contributions during the period of the four modernizations. Last year, the total industrial output value of silk increased by 17 percent over the previous year, while taxes and profits delivered to the state reached 1 billion yuan, an increase of 9 percent. Since last summer, the silk industry has enjoyed a brisk business on the domestic market. Some 700 million meters of silk cloth were sold last year, an increase by 16 percent over the previous year. The silk trade has also strengthened its international marketing and forecasting and has made efforts to develop marketable new silk varieties and new designs and colors to meet the demand for export. Last year, Jiangsu alone developed over 300 new products and over 1,500 new varieties of design and color. As a result, it increased foreign exchange earnings by over \$5 million. [Excerpt] [By Zhang Xingduan] [Beijing XINHUA Domestic Service in Chinese 0823 GMT 22 Mar 85 OW]

GANSU INDUSTRY SCORES SUCCESSES--The province's industrial departments achieved remarkable results last year in expanding the present enterprises' production capacity, improving the quality of products, reducing the consumption of energy and raw material, and developing new products through technological transformation. On the technical transformation, the province invested 560 million yuan

on technological transformation last year, an increase of 9.6 percent over 1983. The province invested 6.9 percent more than the previous year on improving the quality of products. Through the transformation, the enterprises increased their fixed assets by over 410 million yuan and their output value by 155 million yuan. [Summary] Lanzhou Gansu Provincial Service in Mandarin 0430 GMT 29 Mar 85 HK]

HEILONGJIANG INDUSTRIAL ACHIEVEMENTS--In January and February 1985, the industrial enterprises throughout Heilongjiang Province realized 5,000.78 million yuan of total output value, a 9.1-percent increase over the figure of the corresponding 1983 period. In February alone, the realized 2.336 billion yuan of total output value, an 8.3-percent increase over the figure of the corresponding 1983 period. The township-and-town-run industrial enterprises throughout the province realized 161 million yuan of total output value in January and February this year, a 30.5-percent increase over the figure of the corresponding 1983 period. [Excerpts] [Harbin HEILONGJIANG RIBAO in Chinese 15 Mar 85 p 1 SK]

HEILONGJIANG TERTIARY INDUSTRY--According to statistics released by the relevant departments at the 1984 year-end, Heilongjiang Province had 415,000 commercial, catering, service, repairing, public utility, communications, transport, information, consulting, and banking networks, an increase of 17.8 times over 1978. Some 2.6 million persons were on the payroll, an increase of 9 times over 1978. Of this, 49,000 were collective networks, a 30-fold increase over 1978. There were 334,000 individual networks, an increase of 80 times over 1978; 440,000 persons were working there, an increase of 60 times over 1978. There were 1,229 trade fairs, an increase of 969 over 1978, and business volume reached 1.33 billion yuan, a 16.3-fold increase over 1978. The retail sales of commodities in the province reached 14.5 billion yuan, doubling that of 1978. The business volume of collective and individual networks engaged in commercial, catering, service and repairing trades reached 3.5 billion yuan. [Summary] [Harbin HEILONGJIANG RIBAO in Chinese 10 Mar 85 p 1 SK]

SHANGHAI INDUSTRIES SET RECORD--Shanghai, 22 Mar (XINHUA)--Shanghai industries developed 4,771 new products last year, setting an all time record. The textile machinery industry developed 40 new items in 1984, of which 80 percent reached the international standards of the late 1970's and early 80's. A sampling of 625 key mass production items indicate that they will give the city additional 1.28 billion yuan in output value and 260 million yuan in profit a year. [Text] [Beijing XINHUA in English 1444 GMT 22 Mar 85 OW]

CSO: 4020/161

CONSTRUCTION

XINJIANG FORUM ON URBAN, RURAL CONSTRUCTION CONCLUDES

HK270426 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 25 Mar 85

[Text] The regional forum on urban and rural construction work, which concluded today, put forward five measures to speed up urban construction and demanded that 11 cities in our region be planned, built, and managed well as soon as possible. The five measures are:

1. The principal leaders of all cities must free themselves from their administrative affairs and must concentrate their main energy on working out plans for, to build, and to manage the cities.
2. In urban construction, it is necessary to adhere to the principle of comprehensive development and construction in a unified way. All cities must set up comprehensive development companies. Urban land developed or constructed, houses built, and public facilities built can be transferred or sold for a consideration.
3. It is essential to reform the method of operation and management of urban affairs units and public utilities. Urban affairs, maintenance, greening, and environmental sanitation units must implement as soon as possible the system of contracted responsibilities for operation or profits, must further improve their service quality, and must ensure the unification of social results, economic results, and environmental results.
4. It is imperative to reform the system of the allocation of public houses and to regard houses as commodities. This year it is necessary to lay stress on grasping well the pilot projects regarding residential houses in Urumqi and Shihezi Cities as commodities.
5. It is necessary to reform the method of the state solely appropriating funds for urban construction and to give full play to the enthusiasm of the state, localities, enterprises, and individuals. In accordance with the principle of voluntary participation, reasonable profits, and [words indistinct], idle capital is absorbed to build various kinds of urban public facilities which the urban residents urgently need.

CSO: 4006/495

DOMESTIC TRADE

BRIEFS

QUIZHOU SUPPLY, MARKETING BUSINESS--The province's supply and marketing departments have made a new breakthrough in carrying out integrated business combining agriculture, industry, and commerce. Since the beginning of last year, more than 160,000 peasant households and enterprises have carried out integrated business combining agriculture, industry, and commerce, and 257,000 contracts amounting to some 500,000 yuan have been signed. [Summary] [Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 17 Mar 85]

FUJIAN RETAIL SALES--During the first 2 months of this year, the amount of retail sales of commodities in Fujian totaled 1.59 billion yuan, representing a 33-percent rise over the corresponding period last year, and hitting an all-time high. According to statistics compiled by the commercial department, sales of refrigerators increased 4.2 times, while sales of color television sets, washing machines, electric fans, and wristwatches all more than doubled, compared with the corresponding period last year. [Summary] [Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 14 Mar 85]

CSO: 4006/491-F

FOREIGN TRADE AND INVESTMENT

SHANDONG HOLDS RECEPTION FOR FOREIGN TRADERS

Jinan Shandong Provincial Service in Mandarin 2300 GMT 25 Mar 85

[Text] On the evening of 25 March, the Shandong Provincial People's Government held a grand reception at Qingdao (Huanghai) Hotel to welcome Chinese and foreign guests and traveling traders who came to participate in the Shandong Provincial trade talks on external economic and technological cooperation.

Vice Governor Ma Shizhong declared at the reception that the State Council recently decided to open the province's Weihai and Longkou ports to the outside world. Foreign vessels are allowed to pass in and out of the ports. As a part of the former Yantai Prefecture, Weihai City may enjoy preferential treatment in using foreign funds, importing technology, and transforming old enterprises. Simultaneously, we will gradually open the Jiaodong Peninsula as an economic zone.

About 800 Chinese and foreign guests and foreign traveling traders attended the reception. Vice Governor Ma Shizhong proposed a toast at the reception. On behalf of the provincial people's government and the Shandong provincial economic and trade, financial, and industrial departments, he extended a warm welcome to the guests from various countries, compatriots from Hong Kong and Macao, and overseas Chinese attending the reception. He urged them to establish ties of cooperation with our province to further develop economic and technological cooperation and trade relations.

The Qingdao City song-and-dance troupe staged brilliant literary and art performances at the reception.

CSO: 4006/491-F

16 April 1985

FOREIGN TRADE AND INVESTMENT

SUCCESSFUL USE OF FOREIGN CAPITAL REPORTED

Beijing GUOJI MAOYI [INTERTRADE] in Chinese No 9, 27 Sep 84 pp 29-31

[Article by Liu Furong [0491 4395 2837]: "Enterprises, Take Off from Here! -- Factual Record of One Year's Great Change in Use of Foreign Capital To Import Technology by Chengdu Radio Plant No 7"]

[Text] In 1982, when the world economy faced depression and the international market was shrinking, Chengdu Radio Plant No 7, this previously unheard of little factory, somehow pulled itself from the brink of bankruptcy to climb onto the stormy stage of world competition, with its magnetic-head products injected into the international market and earning a reputation abroad, and to become a shining rising star watched by the various countries.

In one leap, this factory on the brink of bankruptcy become the country's biggest specialized plant for producing magnetic heads. They reached a joint investment and management agreement with the Changjiang Industrial Corporation of Sichuan Province to "share risks and profits" and, in the form of compensatory trade, imported from the Chiko [3069 1440] Electrical Machinery Company of Japan a production line that produces 480,000 cassette recorder magnetic heads each month; they quickly reversed the situation in which they experienced management losses 2 years in a row. In 1983, they accomplished more than 34.9 million yuan of output value, an increase of more than 10 times over that of the 2 preceding years; the tax payments and profits they realized were more than 3 times the total of those of the preceding 10 years since the founding of their factory.

This little plant released a great deal of "energy" and maintained its momentum of continuing to create a new situation. In 1983, it produced altogether over 5.24 million magnetic heads, which make up over half of the country's total output. It can already satisfy the assembling needs of the existing 30-plus types of recorder interiors and various types of imported recorders in the country. Its magnetic-head products have developed from the 6 varieties in the early period of its operations to 13 varieties. Of these, 7 types of stereo-sound magnetic heads have filled a void in China's tape-recorder production and have made a considerable contributions to its development.

Most persuasive has been the this little plant's "flourishing business finding its way to all four seas," as its products not only are sold to over 130 factories in the country's 27 provinces and municipalities, but the products it has sold back to Japan have already been used by Japan's well-known Sanyo, Kafu [1115 2528] and Matsushita companies on their medium and high class recorders; they are also sold far away to countries and areas in America, Europe, Southeast Asia, Hong Kong and Australia and are widely praised by users at home and abroad. Visiting fellow producers in the country all acclaim: "From here we see the hope for the modernization of China's electronics industry!"

Those unaware of this background would find it hard to believe that a plant as hot as this got started merely from a little workshop in the Red Flag Crafts Plant of Sichuan!

"I Have Come to China at Some Risk!"

The plant originally produced silicon controlled components and applied electronic products. Since 1980, its products piled up with little sales and its capital stagnated, with losses sustained year after year and a situation bordering on desperation. In the face of such a perilous situation, concerned departments of the province and municipality, basing themselves on the needs of the market, decided to import, in the form of compensatory trade, from Japan's Chiko Co a magnetic-head production line, and turned the task over to Chengdu Radio Plant No 7.

The magnetic head is the key component of a recorder. China began to test-produce it in the 1950s, but because its quality failed to pass the test, we did not acquire the capability for wholesale production; thus we have always been dependent upon imports. In early 1980, the importation of foreign advanced technology was still a rather new subject; Japan's investors also were skeptical concerning the news from the China mainland about "opening to the outside world" and "joint management." Japanese president Chikomo of the Chiko Electric Machinery (company), as the respondent to this important information, brought a Japanese-language newspaper with a story about losses sustained by a Chinese-Japanese joint enterprise and came to Chengdu to say, in his own words: "I have come to China at some risk!" At that time, the Chengdu Radio Plant No 7 lacked capital, technology, and trained personnel. It produced 5-6000 silicon controlled components each month and never more than 100,000 per year. After the importation of the production line, could it produce 400,000 magnetic heads? A good thing often suffers many setbacks, and negotiations proceeded with difficulty; this task of importing a magnetic-head production line was held in doubt and reproach by the concerned departments and individual leaders, with casual comments flying all around and no one knowing just what to do.

Leaders, technical personnel and workers of the plant saw that our electronics industry was 20 to 30 years behind other countries. They thought the importation of the magnetic-head technology could bypass certain stages of technique development and save the time and money for us to experiment and test-produce it ourselves, take a short cut on the technique of magnetic-head production, and thereby shorten the gap between China and the developed

countries. With the energetic support of involved leading provincial and municipal departments, they pushed aside all criticisms and forged ahead in the face of the storm. When their funds fell short, they reached an agreement with the Changjiang Industrial Company of Sichuan Province on joint management; when their information fell short, they organized a special group to engage in technical and commercial intelligence investigation by visiting personally over 30 factories and scientific research units in the country and gathering over 200 items of data. They designed over 20 programs and issued feasibility studies on production scale, variety selection, production ratio, trade form, equipment and instruments, staffing, and economic forecasting, and finally reached the formal agreement and signed the contract in July 1981. The two sides agreed to compensate within 5 years the equipment, instruments, working uniforms and royalties pertaining to the imported production line with the processing fees to be collected from the 300,000 magnetic heads sold back each month. Comrades at the plant related that to do so would not be very easy because Japan was one of the world's economic superpowers; the level of its electronic products is very high, and the sale of electronic products back to Japan had no precedent; even personnel on the Japanese side observed: "This is the first time Japan is accepting feedback sales of this proportion on electronic products."

"You Have Performed a Miracle!"

In September 1981, after the agreement was ratified and put into effect, importation work encountered even greater difficulties. At the time, Sichuan was just suffering an unusual flood unprecedented in 100 years, with its railroads cut off and its goods piled up. Whether or not its imported equipment could reach Chengdu from Shanghai to insure the start of operations in time was a critical issue relating to the success or failure of such importation. Under the difficult conditions of short capital, weak technical capability, seriously insufficient housing and equipment, the plant took the starting date of operations as its target and within only half a year completed the rebuilding of its plant housing, the manufacturing of its power facilities and its auxiliary production facilities, the selection, purchase and self-manufacturing of its internal equipment, plus tasks like recruitment, personnel training, etc. In order to do a good job in transporting the imported equipment, the plant's leaders personally organized and directed it, formulated two alternative programs on railroad and highway transportation, and despatched special personnel to go to the port of Shanghai to reopen transportation channels and promptly completed the tasks of unloading, transfer, and dispatching to shipping. The imported equipment was transported from Japan's Yokohama harbor on 28 January. The Japanese side had estimated that re-shipping from the Shanghai harbor would take our side at least until the end of February. But thanks to the concerted efforts of plant personnel at every level, the entire installation was transported to Chengdu on the morning of 17 February. Within less than a month, the plant was able to complete the inspection, installation and testing-readjustment tasks on 153 sets of equipment and 2511 instruments and intricate fittings, and, according to advance plans, went into operation on 3 April 1982. At the ceremony marking commencement of work, the Chinese office manager of the Japanese Chiko Electric Machinery Co said: "In doing business with the whole world, only the European and American styles of efficiency have won our admiration; little did

we expect that you have done your transportation so fast and your organization so well this time. You have really performed a miracle!"

"Now We Have To Ask You To Be Our Teachers!"

In order to assure the quality of the magnetic heads it produces, the plant clearly proposed, from test-production to formal operations, clearly a policy of "quality first, reputation first" to run its affairs. Among the plant's staff and workers, it administered an overall quality control education, established a quality management office and quality responsibility system directly led by the plant president, and also set up a strict quality-guarantee system. In the key processes of operations, 41 quality-control points were established; a quality-feedback system was set up; various work contests and technical training were instituted for the sake of continually raising the quality and qualifying rate of its products. In the early days after the start of its operations, the 6 kinds of magnetic heads produced by the plant were subjected to strict tests by the technical headquarters of the Chiko Co in Tokyo, and they all conformed to technical requirements. The company has already provided the plant with a quality qualifying certificate. In order to further raise such quality, the plant, while paying attention to studying, digesting, and mastery of the imported technology, also carried out a series of technical renovation activities. According to available statistics, in 1983 the plant accomplished 90 big and small rennovative projects on the imported magnetic-head production line. This enabled the imported technology to further develop and expand and thereby achieve conspicuous economic results. For example, the vacuum mixer designed and manufactured by the plant succeeded in solving the bubble problem in the magnetic-head filling process, thereby enabling the rate of rejects of the process to decrease from 7 to 2 percent. In 1983, the indicators of the plant's magnetic heads have since the start of formal production already exceeded the magnetic-head criteria promulgated by state departments. Their actual fit-in rate has reached better than 99 percent; not a few factories have been using the magnetic heads produced by this plant in place of imported ones. The functional quotient of some of its products has even exceeded that of those produced by the Japanese side, with the magnetic heads sold back to Japan thus all qualified. The quality of its magnetic heads came to rank first in the country; their reputation became well known; customers came in droves. Quality controller Houteng Xinzhi [0683 5671 0207 3112], who regularly had been stationed at the plant, is now no longer stationed there regularly. The quality and quantity of magnetic heads sold back to Japan are no longer inspected for acceptance and dispatch to shipping with his signature, as they are entirely exported without inspection and directly packed and dispatched to shipping by the plant itself. Comrades at the plant wittingly observed: "The magnetic heads we produce have already won a no-inspection certificate to become 'trustworthy' products." When president Hokyogyo of the Japanese Hokyo Electric Machinery Co came to the plant for a visit, he picked up an alloy core and said: "This is an accessory I must take back to my country as a gift to show the workers of Japan that your quality has exceeded ours. When you came to Japan to learn, I was your teacher; now I have to ask you to be my teachers!" Today, the Chengdu Radio Plant No 7 has already become the specialized plant with the greatest production of magnetic heads, the most varieties, the best quality, the highest reputation, and most conspicuous

economic results. They thus realized their desire to change the trademark of their magnetic-head products into "Qichi" [0003 7459 Galloping No 7] (that is, galloping in the domestic and foreign market).

The vast ranks of the staff and workers at Chengdu Radio Plant No 7, in the face of the achievements they have already scored, still maintain their spirit of making no stops once their business is started and fearing no difficulties in carrying out reforms. They are still striving to expand their productive capability, reinforce their adaptability and competitiveness, endeavor to attain the yearly production of more than 10 million magnetic heads, and energetically promote the undertaking to use national magnetic-head components and raw and auxiliary materials so as to build the plant into a modern specialized plant of magnetic-head recording technology.

Enterprises, take off from here! From the Chengdu Radio Plant No 7 we see that the party's policy of opening to the outside world, like the wind of the spring, has given wings to this enterprise for it to take off. We wish the Chengdu Radio Plant No 7 to take off in the midst of its reforms, and we hope that even more enterprises shining with the dawn of China's modernization will appear on the national front of the electronics industry!

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CS0:4006/205

FOREIGN TRADE AND INVESTMENT

USE OF FOREIGN CAPITAL, TECHNOLOGY IN AGRICULTURE URGED

Beijing GUOJI MAOYI [INTERTRADE] in Chinese No 9, 27 Sep 84 pp 31-33

[Article by Xuan Wen [3763 2429]: "Actively Utilize Foreign Capital and Technology, Speed Up the Building of Our Agriculture, Animal Husbandry, and Fishery Enterprises"]

[Text] Since implementation of the open door policy, China's agriculture, animal husbandry and fishery enterprises, through efforts during the past few years, the utilization of foreign capital and imported technology, and development of economic and technological cooperation and exchange and tasks of the like, have already preliminarily opened up their prospects and achieved encouraging results.

Before 1978, the key points of our agriculture, animal husbandry and fishery involved in foreign economies were limited to a few countries in Europe, Asia and the Americas. Their activities were limited to bilateral exchange, particularly exchange between civilian groups. But in the past few years, this scope has been expanded. Today, China has already established agricultural contacts with more than 80 countries in the world's 5 continents, has initiated close relations with more than 40 countries, and signed government-to-government agreements on agricultural cooperation. With countries like Yugoslavia, the United States, Japan, the Federal Republic of Germany, France, Australia, Romania, and Canada, both sides may carry out economic cooperation and technical exchange in a planned way. Last year, such bilateral relations of cooperation were further extended to Brazil, Argentina, Pakistan, and Bangladesh. Apart from these, we have also developed relations with institutions and international financial organizations related to the United Nations, and signed a great many non-repayment aid and long-range preferred loan projects with them. We have established various forms of cooperation and exchange with eight international centers of scientific research in agriculture. During the last few years, on the basis of China's needs in building agriculture, animal husbandry and fishery enterprises and through various channels, we have striven to obtain, and have accepted, a large quantity of foreign funds and aid projects, and imported a large contingent of advanced technologies, advanced equipment, and fine products. All this has played an active role in the building of our agriculture, animal husbandry and fishery enterprises.

I. Utilization of Foreign Capital

According to Ministry of Agriculture, Animal Husbandry and Fishery Enterprises statistics, during the last 4 years China has signed 81 economic and technological cooperation agreements or contracts with the U.N. Food and Agriculture Organization, International Development Association, the International Fund for Agricultural Development, Food Planning Agency, World Bank, and various countries, and the foreign capital thus utilized amounted to more than \$460 million. Currently under negotiation are 25 other projects, which promise a total amount up to \$367 million in foreign capital. According to the already signed agreements on utilization of foreign capital, the average yearly amount of foreign capital realized during the last 4 years has been \$120 million.

The absorption and utilization of these foreign capital funds have made up the shortage of funds in our agriculture and effectively supported the exploitation and construction of our agriculture. They have especially accelerated the exploitation and construction of many key projects and key areas, such as the establishment of the electrified irrigation works at Xingbaozichuan, Qingyuan County, and the first-stage electrified irrigation works at Xicha, Gaolan County, in Gansu; the transformation of 5,500 hectares of poor land and reclamation of 32,500 hectares of wilderness in Xiji County, Ningxia; resolving the milk shortages in the six big cities of Beijing, Tianjin, Shanghai, Wuhan, Nanjing, and Xi'an; the reclamation of 300,000 mu of wilderness in Heilongjiang Province; the comprehensive handling of 3 million mu of saline-alkali soils; and the development of 600,000 mu of rubber planting and comprehensive utilization in Hainan Island. Among the above large-scale projects of exploitation and construction, foreign capital makes up a given proportion in all of their total investments.

The utilization of foreign capital has accelerated the transformation of our agricultural technology. During the last few years, the equipment we have imported by utilizing foreign capital mostly attains the advanced level of the late 1970s, as their efficiency is high, they are energy efficient, and their stability is reliable. For example, in the last few years, China has imported from foreign countries 10 sets of seed-processing equipment and established 10 modern seed-processing plants. The wheat, rice, corn, sorghum and similar seeds after selection through processing by these plants become uniformly clean in each grain, even, sparing when used for sowing, and high in their budding rate; they all reaped the effects of production increase to various degrees and are welcomed by the peasants.

Moreover, the importation of capital has also created conditions for the training of talent and exploitation of our intellectual power.

II. Importation of Improved Varieties

During the last few years, China's agricultural, husbandry, and fishery enterprises have stepped up importation both in variety and quantity of seeds, breeding animals, seedlings, saplings, vaccines and natural enemies. According to available statistics, up to the present we have already imported from over 80 countries and international centers of scientific research in

agriculture over 19,900 species of fruit-bearing trees and seed-quality materials. We have imported 469 head of improved-variety bulls, 21,782 sheep of various species, over 500 lean-meat pigs, and various species of breeding ducks, breeding eggs for hatching, turkeys, king bees, and varieties of grazing grass. In the category of water products, imported varieties are also rather numerous. All of these have served to enrich the resources of our flora and fauna.

The adoption of improved varieties is an important technology for the development of our agricultural production. During the last few years the improved varieties imported by our country, after experimental planting and experimental breeding and applied production, have led to good economic results and have promoted the development of agriculture, animal husbandry and fishery. For example, the species of wheat imported from foreign countries have already been promoted in production, as their planting areas number usually more than 1,000. These have contributed significantly to recent increases in China's wheat production. The Ximendaer [?] combined dairy and beef cattle imported in 1980 have yielded in our country over 4,000 kilograms of milk, with over 4 percent of fat; individual cows have produced as much as 7,000 kilograms of milk. Having this kind of cows cross-breed with indigenous yellow oxen, the newly bred younger generation has during the green-grass season increased 1,613 grams in individual weight, thus becoming rather ideal breeding cows for improving our yellow oxen. The African Nile luo-fei fish imported in 1978 grows very fast and is prolific; it also tastes good; by 1980 more than 6 million had been bred. At present it is experimentally bred in 20 provinces, municipalities and regions, and is well received by the various localities.

III. Importation of Advanced Technology

During the last few years, our country has taken importation of advanced technology as an important measure for the speedy change of the backward outlook of our agriculture, and continued to import from foreign countries advanced technology in agriculture, animal husbandry and fishery undertakings. A considerable portion of them, after experimentation and demonstration, has already been, or is being, applied in our production and scientific research with very conspicuous results. For instance, in 1979 China imported from Japan the plant-raising technique of using plastic sheets to cover the ground; 48 units in 14 provincial and municipal districts began experiments on 600 mu. In 1980 these experiments had expanded to 28 provincial and municipal districts with an area of 25,000 mu covered; in 1981 they had developed to 220,000 mu; in 1982 they expanded further to 170,000 mu; and by last year they had developed to 8.6 million mu. Crops so covered included rice seedlings, cotton, peanuts, vegetables, watermelon, and sugar cane; the resultant production increase has been generally about 30 percent. This technology has already been listed among key projects for promotion in our agricultural technology. Also, the super low-volume airplane spraying technique we have imported to prevent insect havoc has an insect-killing rate of better than 90 percent; each mu requires only 2.3 liang of the spray; each plane can apply it to 40-50,000 mu with 4-500 percent of increased efficiency and 57-58 percent of reduced cost. Because no water is required in mixing the spray, it proves to be superior especially in arid areas, grazing areas, and forest areas.

IV. Importation of Advanced Equipment Is One Form of Importation of Advanced Technology

During the last few years, China has imported from 20 countries various kinds of machinery equipment and scientific research and teaching instruments in agriculture, animal husbandry and fishery enterprises; the funds used amounted to over 90 million yuan. By utilizing the advanced instruments and equipment among them, we have already equipped nine centers of scientific research and enabled the equipment at these centers to reach the foreign level of technology of the late 1970s, thereby greatly improving the capacity of our scientific research and teaching tasks in agriculture. For instance, the centers for agricultural remote-sensing training and application imported in 1979 from the U.N. International Development Agency have trained a group of professional personnel for various places, thus opening up our remote-sensing service undertakings. At present, the whole country already has five provincial regions carrying out remote-sensing over their soils and achieving fine results.

China has not been utilizing foreign capital and importing foreign technology for very long; some major projects are just beginning to be implemented and their results have not yet been fully realized. But practice of the last few years has already proved that the results of utilizing foreign capital and technology to accelerate the construction of our modernization are good. The 12th Party Congress has suggested that by the end of the present century the total yearly output of our agriculture must under the condition of continued improvement of our economic results strive for quadrupling. In order to accomplish this task, we shall in respect to our agriculture, animal husbandry and fishery undertakings continue to stand on self-reliance, fully utilize domestic resources, market and financial power, rely first of all on our established policy and in the second place on science, enhance our productive forces, and develop the production of our commodities. In the meantime, we shall further develop and expand international economic and technical cooperation, utilize various channels in a planned, purposeful and orderly manner, adopt various forms, actively make use of foreign capital, import advanced technology and equipment, etc. This is an important way to solve our current shortage in capital and backwardness in technology as well as a long-range policy to develop our agriculture, animal husbandry and fishery enterprises.

According to the requirements of our national economy and agricultural development, hereafter our points of emphasis in the utilization of foreign capital and importation of advanced technology in agriculture, animal husbandry and fishery enterprises are:

1. Continue to strengthen scientific research and education in agriculture and promotion of technology and the projects of intellectual exploitation to be carried out for the training of personnel. This is a link in the promotion of the modernization of our agriculture with a strategic significance. During the past few years, China has used a considerable proportion of imported foreign capital on intellectual investment with good results. Hereafter, we must expand the utilization of foreign capital on scientific research and

education in agriculture from the current institutions of higher learning to the provincial and county agricultural middle institutions and scientific research units and further arm the instruments and equipment of over 20 agricultural institutions and train their personnel and reform a certain number of provincial-level scientific research units in agriculture and technological promotion stations.

2. Develop agricultural construction projects in districts where production potential proves to be considerable and in poor districts awaiting support; for instance, the comprehensive handling of the red and yellow soils in the south, the comprehensive exploitation of agriculture in the Xinjiang reclamation areas, and the comprehensive development of agriculture in the poor districts of the southwest, etc.

3. Complete as soon as possible the construction projects responding to the need of the people for milk, fowl, eggs, meat, and fish, such as milk development in Beijing, Tianjin, Shanghai, and others, the exploitation and utilization of fishery resources in Beijing, Tianjin, Shanghai and others and lakes within the Chang Jiang basin, the construction of aquaculture projects along the coastal areas and on the breeding of shrimps and processing of water products, etc.

4. Strengthen the development of seeds and construction of projects for improved varieties. The production in our agriculture, animal husbandry and fishery enterprises has a long history that has yielded a great many varieties; its natural conditions are superior, and it has a fine tradition of careful cultivation and work; it has also mastered a series of new techniques on cross-breeding. In this regard, China will continue to develop international cooperation, endeavor to improve the quality of its products, and accelerate the proliferation and promotion of its improved varieties. Our agriculture, animal husbandry and fishery enterprises have already especially established the China Seed Company and a breeding animal import and export company, to manage the import and export tasks concerning crop seeds, saplings, breeding fowl, and animal feed varieties.

5. Strengthen projects on agricultural sideline products processing and comprehensive utilization, such as the processing and comprehensive utilization of soybeans, cotton seeds, potatoes, and fruits. In this regard, apart from accepting multilateral and bilateral government non-repayment aid and mid-term and long-term loans, we must also try to win as much as possible direct foreign investment according to our needs so as to promote their speedy development. In addition, there is need to accelerate the development of our animal feed industries and similar projects.

6. Technological transformation and renovation and replacement of key enterprises, plus projects aiming at exploring new realms and weak links in our agriculture.

On the basis of the above key points, and considering China's capabilities in domestic capital and complete installations, during the latter 2 years of the "Sixth 5-year Plan" and throughout the "Seventh 5-year Plan," the scale of our utilization of foreign capital will increase by several times compared to that

of the last few years, and the importation of advanced technology and equipment will also increase considerably. In the meantime, we shall open up more channels, adopt more forms, extensively develop international economic and technical cooperation, and continue to bring about new situations.

In a word, along with the progress of the modernization of China's agriculture, animal husbandry and fishery enterprises, there is a great deal that we can do with respect to the utilization of foreign capital and importation of technology; the prospects are very broad. We wish to undertake economic and technical cooperation and trade exchange and develop cooperative relations with all countries of the world and all organizations in the various regions on the basis of equality and mutual benefit.

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CSO: 4006/205

FOREIGN TRADE AND INVESTMENT

BRIEFS

INFORMATION CORPORATION IN SHENZHEN--An opening ceremony was held at the Yuyuan Hotel in Shenzhen Special Zone on the morning of 21 March for the Hailinjie International Information Engineering Corporation, jointly invested in by Shenzhen branch of the China Jilin International Economic Technical Cooperation Corporation, the Shenzhen Nahai Petroleum Development Service Corporation, and the Jiehe Corporation in Hong Kong. [Excerpt] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 21 Mar 85]

JIANGSU TECHNICAL IMPORTS--According to a report in the 12 March issue of JIANGSU JINGJI XINXI BAO [JIANGSU ECONOMIC INFORMATION], Jiangsu Province made major breakthroughs in technical imports in 1984. A total of 1,026 technical import projects were approved. Transactions were closed and contracts signed for 712 projects. The contracts cost \$356 million in foreign exchange. The imported projects are fairly advanced, and their production efficiency is several times, more than 10-fold, higher than that of similar homemade equipment. Their cost, quality, and consumption of raw and semifinished materials and energy are stable. [Summary] [Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 11 Mar 85]

GOVERNOR URGES FOREIGN INVESTMENT--The invitation talks held by the provincial government in Shenzhen concluded on 13 March. During the talks, discussions were held on 70 economic and technological projects with Hong Kong and Macao compatriots who are natives of Guizhou and with businessmen there who have economic contacts with Guizhou. Some 30 people attended the meeting. Governor Wang Chaowen sincerely thanked those who had participated in the meeting. He hoped that Hong Kong and Macao compatriots and overseas figures would have regular contacts with Guizhou, provide the province with technology and capital, and come to tour the province, which would afford them every convenience and favored treatment. [Excerpts] [Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 14 Mar 85]

NEI MONGGOL ECONOMIC COOPERATION--In 1984, Nei Monggol region received a total of 102.32 million yuan in foreign capital, signed 29 economic cooperation contracts, and concluded 57 agreements of intention involving a total of 197.9 million yuan. Such a sum was used to rebuild or expand 14 projects and to help 44 enterprises carry out technical transformation. [Summary] [Hohhot NEIMENGGU RIBAO in Chinese 26 Feb 85 p 1]

SHANGHAI FOREIGN TRADE FORUM--Shanghai's 1985 Foreign Trade Forum opened at the Shanghai Exhibition Hall yesterday morning. Shanghai Mayor Wang Daohan attended the opening ceremony, and Shanghai Vice Mayor Ruan Congwu cut the ribbon for the opening ceremony. Nearly 500 businessmen from dozens of countries and regions around the world and leading members of departments concerned in Shanghai attended the opening ceremony. Some 2,000 pieces of goods of over 480 major categories are on display at the forum, which is sponsored by the Shanghai Foreign Trade Corporation and which occupies a space of 6,000 square meters. The forum will last 10 days.
[Text] [Shanghai City Service in Mandarin 0100 GMT 2 Mar 85]

ELECTRICAL-EQUIPMENT MANUFACTURE WITH SWEDES--Kanthal and Swefund, the fund for industrial cooperation with developing countries, will together with the Chinese steel concern Shoudu Iron and Steel Company form a joint company in China. Shougang-Kanthal, as it will be called, will, among other products, manufacture heating conductors for electrical apparatuses. It is several years of negotiation which has now resulted in the project, which is estimated to cost 50 million kronor. [Text] [Stockholm DAGENS NYHETER in Swedish 27 Mar 85 p 10]

PRODUCTION DEAL WITH FRG'S KRUPP-- Krupp Widia GmbH [limited liability company] Essen, the world-renowned producer of hard metal and hard metal tools, has concluded a contract with the Chinese foreign trade organization, China National Machinery and Equipment Import and Export Corporation (CMEC), Tianjin. This contract deals with the supply of machines, equipment and know-how to a value of DM 30 million for Tianjin Cemented Carbide Factory (TCTW). In carrying out the contract, Krupp Widia will be assisted by its sister corporation, Krupp Koppers GmbH, Essen, which has a great deal of expertise in plant construction.
[Text] [Frankfurt/Main FRANKFURTER ALLGEMEINE ZEITUNG in German 1 Mar 85 p 15]
11698

CSO: 3620/300

TRANSPORTATION

VICE PREMIER LI PENG INSPECTS TIANJIN HARBOR

OW210513 Beijing XINHUA Domestic Service in Chinese 1645 GMT 19 Mar 85

[By reporter Shen Qifang]

[Text] Tianjin, 19 Mar (XINHUA)--While inspecting Tianjin Harbor and the Tianjin Economic and Technological Development Zone, Vice Premier Li Peng of the State Council said today: An important principle in the construction of an economic and technological development zone is that, while importing advanced technology, attention should be paid to producing more exports, in order to earn more foreign exchange for the state.

Accompanied by Minister of Communications Qian Yongchang and Tianjin Vice Mayor Li Lanqing, Vice Premier Li Peng inspected the Tianjin No 1 Port Company, the Tianjin Container Loading and Unloading Company, and a container wharf under construction. Li Peng visited, with great interest, a dispatcher's office equipped with industrial television sets and computers. He encouraged workers and staff members there to use modern methods to manage the harbor, and to improve their managerial efficiency.

Li Peng also inspected the Tianjin Municipal Economic and Technological Development Zone, occupying an area of 33 square kilometers near the new Tianjin Harbor. He emphatically pointed out: In carrying out construction, Tianjin should pay attention to making full use of its favorable conditions, especially its relatively rich technical resources.

CSO: 4006/495

TRANSPORTATION

HUNAN HOLDS FAMILY-RUN ENTERPRISES CONGRESS

HK220625 Changsha Hunan Provincial Service in Mandarin 1100 GMT
20 Mar 85

[Excerpts] The first 3-day provincial congress of family-run industrial enterprises and joint management enterprises concluded yesterday afternoon in Changsha.

At the meeting, the Provincial Government commended the advanced representatives. Vice Governor Cao Wenju attended the meeting and delivered the concluding speech.

This congress of family-run industrial enterprises and joint management enterprises was attended by over 20 large specialized households, whose enterprises' annual output value exceeded 100,000 yuan each.

At the meeting, Vice Governor Cao Wenju said: Both the family-run industrial enterprises and joint management enterprises are at the same level as town and township enterprises. The province must regard as the principal direction in the rural industrial readjustment the development of town and township enterprises, including the continual development of family-run industrial enterprises and joint management enterprises. We must develop in a multilevel and manifold way town and township enterprises, as decided by the rural productive forces at the present stage. However, some comrades are lagging behind others in understanding this. Some areas still have the phenomenon of discriminating against family-run industrial enterprises and joint management enterprises. Some cadres never put their minds at ease, take a relaxed attitude toward, nor support family-run industrial enterprises and joint management enterprises. These are wrong practices. Also, there are such practices as unreasonable apportioning. Consequently, these two kinds of enterprises face difficulties when carrying on their operations. Departments concerned in all localities must seriously settle these problems. We must take a relaxed attitude and supervise town and township enterprises, joint management enterprises, and family-run industrial enterprises more boldly and flexibly.

CSO: 4006/495

TRANSPORTATION

WAYS TO LOWER COST OF RAILWAY CONSTRUCTION SUGGESTED

Beijing TIEDAO JIANZHU [RAILWAY CONSTRUCTION] in Chinese No 10, Oct 1984 pp 14-16

[Article by Ouyang Gong [2962 7122 7255] of the Liuzhou Railway Office: "Some Suggestions on Lowering Railway Construction Projects Costs"]

[Text] During the past 30-odd years since the founding of the PRC, the country has successively invested 1.74 billion yuan in the Liuzhou Railway Office for capital construction, renewal and transformation. We have newly built the Laibin to Zhennan Pass (later changed to Youyi Pass) section of the Hunan-Guangxi Railway, the Litang-Zhanjiang Railway, the Shuituan to Liuzhou section of the Zhi-Liu Railway, the Tun-Qiu Railway, the Hechun-Maoming Railway and the Nanning-Fangcheng Harbor Railway, technically transformed the Huaan-Guangxi, Guizhou-Guangxi and Litang-Zhanjiang railways and newly built and rebuilt the Liuzhou hub and the Litang, Nanning and Zhanjiang section marshaling stations. Over 200 million yuan of investment in the Guangxi Zhuang Autonomous Region has built 309 km of local railways and promoted development of the Liuzhou Railway Office's railway transportation. The commodity turnover volume of 1982 was 24.3-fold that of the initial postliberation period, the passenger turnover volume was 10.2-fold that of the initial postliberation period and this has played an advanced role in developing China's national economy.

The 12th CPC Congress has listed communications and transportation as a strategic priority and we must strengthen the technical transformation of existing lines and build essential new ones in order to realize China's magnificent goal of quadrupling the gross output value of the national economy by the year 2000. The continuous increase in new railway construction projects and rebuilding costs is now a prominent problem. The construction cost of the Laibin to Zhennan section of the Hunan-Guanzxi Railway built by the Liuzhou Railway Office during the initial postliberation period was 133,000 yuan per km and that of the Litang-Zhanjiang line built in the 1950's was 381,000 yuan per km. The construction cost of the Shuituan to Luoman section of the Zhi-Liu line built in the 1970's was 1,988,600 yuan per km. It is estimated that the construction cost of the Nanning-Fangcheng Harbor Railway being built in the 1980's will be 2.65 million yuan per km. The construction cost of the

multiple tract transformation of the Liuzhou to Litang section of the Hunan-Guangzi line was 1,439,000 yuan per km. The rebuilding of the Litang section marshaling station exceeded the budgetary estimate 2.68-fold and the approved budgetary estimate for the Liuzhou hub which is being rebuilt increased 31 percent after the second revision and is expected to continue to rise. Of all factors increasing construction costs, in addition to objective factors such as state-pegged construction material price rises, mountain area railway topographical difficulties and complex geology, there are many factors created by railway construction guiding ideology and policy, such as only counting the political and not the economic cost, overplanning, high targets, big-pottism, lax rules and regulations, poor construction management, arbitrarily raising standards, demanding perfection, not stressing investment results and seizing opportunities in all areas to obtain national investments. In order to consider lowering railway project construction costs and to improve the comprehensive results of railway construction investment, we must thus make difficult efforts. We suggest:

1. Strengthening Medium- and Long-Range Planning Work

Strengthening medium- and long-range planning and doing a good job of the work of adapting designed freight volume to objective reality is the chief link in doing a good job of railway construction and lowering project construction costs.

Railway construction has long lacked realistic medium- and long-range planning; insufficient resources, improper planning and overestimation of freight volume has often created policymaking errors by the leadership. This has resulted in some projects being started one minute and stopped the next and being begun most urgently and stopped as quickly and has thus increased the assignment of construction contingents and loss, project maintenance and work stoppage and idleness costs for such things as temporary workers, materials, equipment and land. Some projects have been completed with very low long-range freight volumes. For instance, a mass movement was carried out in 1958 demanding that construction of a special iron-transport line of the newly built Tun-Qiu Railway eagerly begun by the Liuzhou Iron and Steel Works be completed in a year. A survey was made of the Ladong Iron Mine prior to construction and it was estimated that there were over 40 million tons of recoverable reserves and that the annual freight volume would be 2 million tons. The line was designed to be 42.7 km long, with the maximum grade limit for heavy car orientation to be 6 percent, the radius of the tightest curve to be 400 m and the freight capacity to be over 3 million tons. It was completed by the end of 1959 at an actual cost of 9,166,500 yuan. After it was made available to the users in 1960, it was discovered that the iron mine reserves were very small and of poor grade and it has only carried one mixed train a day for the past 20-odd years with losses every year. There were similar conditions on over 300 km of local railways.

The Shuituan to Luoman section of the Zhi-Liu Railway was hastily begun and the militia was used for construction. The militia's short working times, many work holdups and nonproficient techniques caused 33,772,000 man-days to be used on the project throughout the section and 5.2 million yuan more than the budgetary estimate to be paid out in construction costs. Average per km man-day labor consumption was over 100 percent higher than the quota stipulated by the budgetary estimate. Only 12 yuan per sq m was spent to build an average of 3.9 sq m of temporary workshops per person and board and lodging were very simple and crude and yet 11,167,000 yuan was spent for this.

2. Strengthening the Early Stage Work of Railway Construction

The present capital construction procedure is in fact a "three-sided" one and must be changed. We must fully emphasize and strengthen the early-stage work of construction projects, do a good job of feasibility studies, survey and design and make complete technical and economic analyses and demonstrations. After feasibility studies are submitted for approval, the issued designed-task document is the design foundation. After the preliminary design is approved, the issued planned-duties document is the basis of the planned capital construction investment.

The Liuzhou hub marshaling station reconstruction project is an accessory project for the Zhi-Liu line, it was discovered that the Liuzhou hub had to be rebuilt after construction was started on the Zhi-Liu line and the Liuzhou Railway Office was temporarily assigned to design the construction. Very little preliminary work was done for a complex medium- and large-scale project of this type, timely preparations were not made, completion was urgently demanded and survey, design and construction went on together. The design capability was inadequate, overall planning and systematic investigation and study of all departments and links was not strengthened through planning and the effect of the parts on the whole and of subsidiary projects on the major project were mixed up. Construction was hastily begun in 1980 with many lost and missing items and design changes. An actual investment of 27,085,000 yuan or 70 percent of the original approved budgetary estimate had been made by the end of 1983. Of this, overpayments created by not doing a good job of early-stage work constituted 37.8 percent of all overpayments. A three level three yard arrangement with mechanized humps was approved for the rebuilding of this station, the main project has not yet been completed and the predicted budgetary estimate may yet be further exceeded.

The 314.7 km Litang-Zhanjiang Railway is a major trunkline linking up China's southern sea and land transportation. Although the construction period was quite short, planning work was stressed and survey and design was begun in September 1952. Through choosing lines and fixing sites and doing a good job of hydrogeologic survey, the major technical standards such as grade limits and curve radii as well as key project plans underwent technical and economic comparison and demonstration. Three sections of the design were successively completed by May 1954, the overall design was quite good and the work was done carefully and

solidly. Construction units had done a good job of implementing construction organization and design and planning construction by September 1954. The whole line was opened to traffic on 1 July 1955 for temporary business and was officially made available to the users in January 1959. The results of the check before acceptance were that the line, bridges, buildings, communications equipment, tunnels, culverts, signals, locomotives, cars and water supply equipment were good, the station equipment was complete and the project and equipment throughout the line conformed to trunkline standards. Actual investment was 9.8 percent lower than the designed budgetary estimate and average construction cost was 381,000 yuan per km.

The two preceeding examples fully show that even if capital construction is carried out according to capital construction procedures, results may be very different.

3. Resolutely Stopping the Bad Practice of Asking the State for Help

Local governments and railway departments must both conscientiously carry out the spirit of the relevant documents and stop the bad practice of arbitrary apportionment and price increases. But railway construction must also economize on land use, occupy less cultivated land, not occupy fertile farmland, maintain the environment, create fields and land and support agriculture.

The work of buying land and dismantling for the Liuzhou hub took 2 years, losses were incurred through delay of the construction period and construction costs were affected. The local government, residents and peasants asked high prices and attached many harsh demands such as apportionment costs. The planned, requisitioned land was 227.5 mu or 139,200 yuan according to state stipulated costs. Since the peasants stressed opening up wasteland and rushing to plant it before requisition by purchase, turning wasteland into farmland, the amount of purchased land increased; 439 mu was actually requisitioned by purchase and 54 mu were withdrawn from railway use. It actually cost 1,437,400 yuan or 10.3-fold the planned budgetary estimate.

The Luoman to Liuzhou section of the Zhi-Liu line is 32 km long and 15 bridges, 162 culverts and an average of 5.06 bridges or culverts were built per km. Of these, 95 pedestrian, vehicle and irrigation bridges and culverts or 53 percent of all bridges and culverts were rebuilt due to peasant demand. Additional expenses similar to these constituted approximately 5 percent of the planned budgetary estimate for state investment.

The decade of turmoil caused certain unhealthy tendencies and the waste was amazing. The total fixed-asset value of the Shuituan to Luoman section of the Zhi-Liu line when turned over for checking before acceptance at the end of 1981 constituted only 89 percent of the actual investment. There were many nonproduction expenses.

4. Opposing Blind High Standards and Going in for Grandiose Projects

In determining the construction cost of a new or rebuilt railway, in addition to natural factors such as topography, geology and hydrology, the proportion of adopted technical standards and especially of bridge and culvert construction costs is also related. China is very large and mountainous regions constitute 66 percent of its total area. We should suit measures to local conditions and formulate different technical standards for mountain areas and plains, for building new railways and transforming old lines and for trunk lines and branch lines.

Due to the technical and economic restrictions of the early 1950's the 417.4-km Laibin to Zhennan section of the newly built Huan-Guangxi line passed through the Rongyan Mountain region. Measures were suited to current local conditions, natural grades were fully considered, quite low standards were used with a grade limit of 20 percent, a radius of the tightest curve of 229 m and 35 bridges in 2,579 m, the whole line was opened to traffic within a total project construction period of a year at an actual project construction cost 6 percent lower than the approved budgetary estimate and average construction cost was 133,000 yuan per km.

Railway construction has increased in mountain areas since the 1960's, line standards have improved, the number of projects has increased and project construction costs have correspondingly increased. On the 221-km Shuituan to Luoman section of the new Zhi-Liu line built in 1970, there were steep grades and narrow valleys, the lie of the mountains was precipitous, hydrologic and geologic conditions were very complex, high standards were planned and used, grade limits throughout the line were 6 percent (an augmented 12 percent was only used on an extremely difficult 18.5-km section) and the radius of the tightest curve was 700 m (450 m on difficult sections) resulting in high fills and deep digs on the line, bridges and culverts being linked together and a huge project. There were 72 tunnels on 24,089 m throughout the section, 102 bridges on 10,553 m and the investment in bridges and tunnels constituted 37.5 percent of the total investment. The 43 bridges and tunnels on 9,438 m of the 18.5-km section from Shuituan to Badou constituted over 50 percent of the length of the whole section. Construction dragged on for 12 years, actual project construction costs exceeded the original approved budgetary estimate by 10 percent and average construction cost was 1,988,600 yuan per km.

5. Strengthening Scientific Management

Design and construction units must pay attention to the overall situation, strengthen cooperation, be resolved to institute reforms, carry out the contract system and all economic responsibility systems, clarify responsibilities, rights and interests, integrate the interests of the state, collectives and individuals, rectify management styles and strengthen scientific management.

There must first be a realistic budget and budgetary estimate. Design units have not paid enough attention in the past to working out budgetary estimates and budgets; construction units have not respected budgetary estimates and have worked out their own budgets. Some often budgeted liberally and spent sparingly in order to make more money. For instance, many items were missing and incomplete on the initial design and formulation of the budgetary estimate for the multiple-track reconstruction project of the Liuzhou to Litang section of the Hunan-Guangxi line. Construction units formulated budgets based on the actual amount of money spent over the years, were reimbursed for what they spent, acknowledged debts when revising the budgetary estimate and the final checked and ratified cost was 1.33-fold the original budgetary estimate. This was unfavorable to carrying out the contract and economic responsibility systems. Thus, budgets should be formulated by design units and conscientiously examined and approved by construction units.

We must reorganize the construction ranks and improve labor productivity. There were 5,718 people in the Liuzhou Railway Office's engineering department in the 1960's and 7,140 or 24.9 percent more in the 1980's. Of these, nonproduction personnel were 2.1-fold more than in the 1960's. Of nonproduction personnel, technicians, managers and service personnel increased 10.8 percent, 360 percent and 250 percent, respectively.

There were 15.256 million yuan of completed annual construction tasks in the 1960's and 30.78 million yuan or a 101.7 percent increase in the 1980's. Labor productivity for all personnel was 2,668 yuan in the 1960's and 4,310 yuan, or an ostensible increase of 61.5 percent, in the 1980's. In fact, analyzed according to the gross value of engineering department fixed assets, the value of fixed assets in the 1960's was 6,894,000 yuan. The value of fixed assets in the 1980's was 33.9 million yuan or a 3.91-fold increase. Converted to completed output value per hundred yuan in fixed assets, it was 221 yuan in the 1960's and 91 yuan in the 1980's for a 59 percent decrease.

This shows that in order to improve labor productivity, there are two problems urgently awaiting solutions: (1) We must vigorously reduce nonproduction and management personnel, reorganize construction ranks, properly arrange and handle elderly, weak, sick and deficient personnel and strengthen and replenish frontline production; (2) We must conscientiously check fixed assets, strictly control the purchase of nonessential construction machines and tools, improve care of construction machinery, improve machinery condition and utilization rates and develop construction machinery and equipment results.

A timely supply of materials, equipment and tools is a major factor in ensuring construction but we must improve management of goods, materials and quotas. Construction was urgent for the Shuituan to Luoman section of the Zhi-Liu line, material lists were unable to be compiled, used materials were abnormal and issued materials substandard. The use of all major materials exceeded budgetary estimate quotas and average material consumption per km was: 76 tons (not

including iron rails) of steel products, exceeding the quota 2.5-fold; 414.8 m's of wood products, exceeding the quote by 8.4 percent; 1,350 tons of cement, exceeding the quota by 52 percent; 21 tons of dynamite, exceeding the quota by 78 percent. Calculated according to list prices, 18.6 million yuan was overspent on these four items alone.

6. Fighting a War of Annihilation and Reducing Construction Periods

Practice has proved that reducing construction periods by all possible means is a major problem in lowering railway project construction costs. The construction period for the Shuituan to Luoman section of the Zhi-Liu line was 12 years and the average construction period per 100 km was 65 months, or the longest throughout the country. The budgetary estimate was thus repeatedly broken and construction costs constantly increased. But only one project had surpluses. The Rongshui Commune large double-track steel bridge built by the large bridge engineering office is 4,690 m long and the main line is a 4-arched continuous-shaft steel-truss bridge formed of three 80-m arches and one 64-m arch and a prestressed concrete bridge of five 31.7-m arches. Since construction links such as investment plans, project design, building construction, material supply, equipment orders and processing manufacture were closely coordinated, a rational economic construction organization was chosen, advanced work methods, such as using an 80-m shaft steel bridge suspension installation were carried out and special contingents and militia cooperated to concentrate their manpower and material resources in fighting a war of annihilation. Only a little over a year was used to complete the bridge construction duties, checked and accepted quality was good and actual construction cost was 21.5 percent lower than the planned budgetary estimate.

12267

CSO: 4006/352

TRANSPORTATION

NEW BRIDGES EASE TRAFFIC CONGESTION IN GUANGDONG

OW271248 Beijing XINHUA in English 1218 GMT 27 Mar 85

[Text] Guangzhou, 27 Mar (XINHUA)--Long queues of motor vehicles and people waiting for ferries, common in the past, have been eliminated in Guangdong Province due to more bridges being built.

The province has chalked up an enviable record over the last six years of building one new highway bridge every two days, the Provincial Communications Bureau has announced.

Travel time between Guangzhou, capital of the province, and Shenzhen, Zhuhai and other cities has been cut in half.

Bureau officials said 1,099 highway bridges have been completed since 1979 including 22 with spans between 100 and 1,000 meters in length.

This southern Chinese province is criss-crossed by waterways, including the Pearl, Han, Nandu, Moyang and Jianjiang Rivers.

Financing for the highway improvements has come from the central government, local units, domestic bank loans and foreign investment.

Bids were tendered for design and construction of the bridges and bonuses were given for completion ahead of schedule. For example, construction of the Nandu River Bridge was completed 105 days early, saving 500,000 yuan in investment.

CSO: 4020/161

TRANSPORTATION

CAAC ANNOUNCES NEW SCHEDULE FOR TOURIST SEASON

OW160748 Beijing XINHUA in English 0730 GMT 16 Mar 85

[Text] Beijing, 16 Mar (XINHUA)--CAAC has adopted a new timetable for the tourist season starting today, running 886 flights a week, 215 more than last year's tourist season.

A 27 percent increase in transport capacity will be made in both domestic and international services run by CAAC using newly purchased Boeing 747's, 737's, airbuses and other aircraft.

CAAC carried 5.54 million passengers and 150,000 tons of freight and mail last year. This year is expected to see a big increase in business and higher efficiency.

A CAAC official told XINHUA here today that China and Japan have decided to double air services on the Sino-Japan air route, beginning 1 April this year. CAAC will operate 25 flights a week on the route, nine more than last year.

On the U.S. air route, CAAC will run four Boeing 747 flights a week in spring, summer and autumn, as against three in winter.

It will also add one flight to its Beijing-Sharjah-Paris services.

The air services from mainland cities to Hong Kong will be expanded 31 percent, running 64 flights a week.

Domestically, CAAC will open more air routes, increase flights and run charter services while expanding freight transport capacity, the official said.

CSO: 4020/161

TRANSPORTATION

HARBOR CONSTRUCTION SUGGESTED FOR HANGZHOU BAY

OW231908 Beijing XINHUA in English 1608 GMT 23 Mar 85

[Text] Hangzhou, 23 Mar (XINHUA)--Experts have suggested the building of a new, large harbor to the north of Hangzhou Bay in east China's Zhejiang Province, which will alleviate the strains on Shanghai Port facilities, according to a symposium held in Pinghu County, near Hangzhou City.

The 50 experts at the meeting agreed that it is practical to build 10,000-ton-class open berths at Zhapu where the water is deep and calm.

A new harbor would help develop the coastal region recently opened to foreign trade and investment.

Cai Tileng, deputy director of the Provincial Communications Bureau, promised to complete the feasibility studies of the project this year so that construction can be started next year.

The experts proposed to construct a reinforced concrete jetty berth first before setting up a number of 10,000-ton-class berths along the 16-km coastline of Zhapu harbor in Jiaxing City.

Dushan and Baitashan Harbors near Zhapu could also be developed in the future, according to the experts.

Two 25,000-ton-class crude oil tanker berths which were built to the east of Zhapu Harbor nine years ago are serving the Shanghai petrochemical plants more than 300 days a year.

There are 41 harbors in Zhejiang Province at present. The existing Zhapu Harbor, the only one to the north of Hangzhou Gulf, has an annual handling capacity of 100,000 tons.

CSO: 4020/161

TRANSPORTATION

BEIJING ATTEMPTS TO IMPROVE BUS SERVICE

OW221810 Beijing XINHUA in English 1521 GMT 22 Mar 85

[Text] Beijing, 22 Mar (XINHUA)--Beijing Municipality will increase the number of buses, as well as the number of bus routes and add pedestrian walkways in an effort to improve the city's transportation.

Speaking at the Fourth Session of the Municipal People's Congress which closed on Monday, Vice Mayor Sun Fuling said that about 280 buses, 460 minibuses and 440 taxis will be added to the city's transportation services in 1985. Ten more bus and trolley-bus routes will be added in the city proper, 14 more in the suburbs and 16 new minibus routes.

The Chinese capital has witnessed such a dramatic increase in vehicle and pedestrian traffic that the average speed for buses has gone from 16 kph in 1975 to under 5 kph. Passengers complain about the long waits at bus-stops. Only about 30 percent of the buses can now keep within their time schedules.

Transportation facilities have increased 22 times over the past 35 years, but the passenger load has gone up 106 times, according to Beijing's Public Transportation Company. At present the city has 9,452,000 residents in addition to a daily floating population of about 700,000.

In 1984 the company put almost 300 more buses into use, bringing the total number of buses and trolleys to 3,932. They ply the streets covering a total length of 1,858 kilometers. Express buses and extra buses travelling only the busiest part of the route have also been put into service.

In the urban areas, the bus system carries nearly nine million passengers every day. Last year 3.1 billion people were transported, an official said.

The eight minibus routes opened last year are very successful because they run through the center of the city and stop to pick up passengers when hailed.

Some buses and trolleys were produced in the 1960's. These will be retired from service.

Vice Mayor Sun said that four new pedestrian bridges and seven pedestrian underpasses will be opened this year including two flanking Tiananmen and two under Changan Boulevard at the Wangfujing corner.

In March the city began to sell a limited number of monthly tickets priced at seven yuan, which can be used on both urban buses and the newly opened subway. The system sells about 1.5 million monthly bus tickets at 3.50 yuan.

The municipal government started reducing the number of vehicles in the city at the end of last year.

Trucks are given turns to use city streets every other day.

Driving licenses are no longer being issued to private motorcyclists in a bid to limit numbers and reduce traffic accidents.

CSO: 4020/161

TRANSPORTATION

PRC PLANS 'MASSIVE' ROAD PLAN TO IMPROVE TRANSPORT

HK230420 Beijing CHINA DAILY in English 23 Mar 85 p 1

[By staff reporter Xu Yuanchao]

[Text] China is to embark on a massive road-building campaign over the next three years to improve the transport system throughout the rural areas and in the national trunk network.

State plans include the building of 96,000 kilometres of rural roads by 1987 and the building or upgrading of 114,000 kilometres of major trunk roads this year.

In the rural areas, residents will be paid for road building from 2.8 billion yuan (about \$1 billion) worth of grain, cotton and cloth earmarked for rural projects.

An official of the Highways Department of the Ministry of Communication told CHINA DAILY in an interview that more than 60 percent of the grain, cotton and cloth will be paid to rural residents involved in building roads; the remainder will be used as payment for waterway construction and water conservation projects.

The payments will include 5 million tons of grain, 200,000 tons of cotton and 500 million metres of cloth.

The least-developed areas are 6,000 townships in 22 provinces and autonomous regions where per capita income is below 120 yuan (about \$43) a year, the official said.

It is in these areas the government wants to build the 96,000 kilometres of roads by 1987, he said.

"Rural residents are keen to improve transport capacity in these poor areas to meet the needs of the expanding rural economy," he said.

The official said such provinces as Sichuan, Gansu, Yunnan, Liaoning, Anhui and Zhejiang had made substantial progress in road building. In Sichuan Province, local authorities have mobilized 940,000 labourers to build roads in eight areas.

In Yunnan Province, local authorities have surveyed 7,980 kilometres of routes, accounting for 80 percent of the total to be surveyed in the province, the official said.

The official said 3,000 kilometres of roads had been completed as of the end of February.

Nationally China expects to build 40,000 kilometres of roads this year, but problems have arisen that may slow progress. The ministry official said short supply of explosives was a major stumbling block.

According to statistics from the ministry, roads planned for the next three years will require 500,000 tons of explosives valued at 750 million yuan (about \$269 million). Yunnan Province alone will need 100,000 tons.

The official said local authorities claim they are unable to afford the cost of such large quantities of explosives. The ministry will send a team to rural areas to study the problem.

China's trunk road system remains equally backward despite government efforts to ease the strain on transport in recent years, according to Qian Yongchang, Ministry [as published] of Communication. China plans to build or upgrade 114,000 kilometres of major roads this year, expanding the total length to 1 million kilometres by 1990, including about 2,000 kilometres of expressway.

Qian said the plans include two expressways, one from Shenzhen to Zhuhai via Guangzhou; the other linking Beijing, Tianjin and Tanggu.

CSO: 4020/161

TRANSPORTATION

CITIES IMPROVE AIRPORT FACILITIES, SERVICES

OW252227 Beijing XINHUA in English 1456 GMT 25 Mar 85

[Text] Beijing, 25 Mar (XINHUA)--Airport facilities are being improved in Xiamen Special Economic Zone and Changchun City in Fujian and Jilin Provinces, respectively.

In September this year, the Xiamen International Airport will install two ramps being manufactured jointly by the Shanghai hoisting and transport machinery plant and the Abex Company of the United States.

The airport is an important facility in the construction of the Xiamen Special Economic Zone.

Work has been started to reinforce and extend the runways of the Changchun Airport so that it can accommodate Boeing 707's.

The airport's terminal building, with a floor space of 3,700 square meters, will be expanded more than two-fold.

When the expansion project is completed in November, the airport will open air routes to Guangzhou, Shanghai and Dalian.

The expansion of the airport will help strengthen ties between the northeast China province and foreign countries as well, according to local authorities.

CSO: 4020/161

TRANSPORTATION

BRIEFS

HEILONGJIANG ROAD BUILDING---In 1984, Heilongjiang Province made marked progress in building roads in counties and townships. According to statistics, the province laid more than 2,500 kilometers of new road foundation, a 260-percent increase over the 1983 figure, and more than 1,800 kilometers of new road surface with sand and pebbles, a 189-percent increase over the 1983 figure. The province built 133 new bridges and also repaired more than 22,000 kilometers of local road, investing more than 26 million yuan. [Excerpts] [Harbin HEILONGJIANG RIBAO in Chinese 4 Mar 85 p 1 SK]

SHANDONG BRIDGE DESIGNING---The initial designing for the Dongying highway grand bridge spanning the Huang He, Shandong Province, has been completed ahead of schedule and been approved by the state. The total length of this bridge is set at 2,817 meters and its width at 19.5 meters. [Summary] [Jinan DAZHONG RIBAO in Chinese 5 Mar 85 p 1 SK]

SHANDONG WHARF CONSTRUCTION---Construction of a 10,000-ton-class wharf began recently in Shijiu Harbor, Shandong Province. This wharf will go into operation by the end of this year. Upon completion of this wharf, the annual cargo handling capacity will reach 800,000 tons. [Summary] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 18 Mar 85 SK]

LIAONING HIGHWAY TUNNEL---On 20 March, a ceremony was held to mark the beginning of the construction of the Benxi (Bachagling) Tunnel, the longest highway tunnel in Liaoning Province. Being 1,590 meters long, 3 meters high and 9 meters wide, this tunnel will be a vital communications line in the eastern mountainous area of the province, linking Benxi, Xinmin, and Dandong. This tunnel will be completed and opened to traffic in 3 years. [Text] [Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 20 Mar 85 SK]

SHANDONG DONGYING-HUANGHE HIGHWAY BRIDGE---Preparations for the construction of China's largest highway bridge, the Dongying-Huanghe highway bridge, is underway. Located in the northern part of Shuanghe Town, Kenli County, this bridge is 2,817.46 meters long and 19.5 meters wide. Upon completion, this bridge will ease the strained traffic in the northern part of the province and benefit the development of the Shengli oilfield and the Huanghe Delta. [Summary] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 23 Mar 85 SK]

NANTONG-SHANGHAI HOVERCRAFT SERVICE--Nanjing, 22 Mar (XINHUA)--A hovercraft line which went into operation on Wednesday on the Shanghai-Nantong River route will help strengthen economic ties between these two industrial cities. The hovercraft will cover the 96-kilometer distance in 2 hours, cutting 4 hours from the regular passenger ship run. The Nantong Hovercraft Navigation Company has scheduled 2 hovercraft on the route, including the 180-seat "Shengxiang," the largest in the Asian-Pacific region. Both Nantong and Shanghai were authorized last year to solicit more foreign business. [Text] [Beijing XINHUA in English 1237 GMT 22 Mar 85 OW]

CHENGDU, HONG KONG AIR ROUTE--Chengdu, 24 Mar (XINHUA)--The Changdu Civil Aviation Bureau has decided to open an air route from Chengdu to Hong Kong on 30 March. The decision has been approved by the Civil Aviation Administration of China, bureau officials disclosed here today. Flights will depart and return every Saturday, and one flight will take 130 minutes. The new route will provide only a charter service. [Text] [Beijing XINHUA in English 0657 GMT 24 Mar 85 OW]

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HONG KONG MEDIA ON CHINA

SINO-U.S. GROUP LAUNCHES SHENZHEN AIRPORT FEASIBILITY STUDY

HK130333 Hong Kong SOUTH CHINA MORNING POST in English 13 Mar 85 Business News Supplement p 3

[By Diane Stormont]

[Text] China-American Airports International (CAAI), a consortium forced by Hong Kong-based China Everbest Development Co Ltd and two U.S. companies, Parsons International Ltd and Lockheed Air Terminal, has notified Chinese officials that it wants to tender for the Shenzhen airport feasibility study.

The consortium has also offered to provide the follow-on design, construction, financing assistance, operation management and maintenance of the completed facilities.

Tenders for the feasibility study--which primarily involves the selection of the airport location, the concept and financing--are in invitation, and will be limited to U.S. companies only, according to Mr Knisely Dreher, vice president of Parsons.

Mr Dreher and Mr John Fehrer, also a Parsons vice president, have just returned from Peking and Shenzhen where they met with aviation and industry officials, including Mr Xia Boayuan, adviser to the Civil Aviation Authority of China (CAAC) and Mr Lee Xinting. Shenzhen's deputy secretary-general.

The U.S.-only policy has arisen because the TDP, a U.S. trade development body, will provide the majority funding for the feasibility study.

However, before the invitations for tender go out, the U.S. Federal Aviation Authority (FAA) will carry out a study, in conjunction with the Chinese authorities, to examine the terms of reference and define the parameters of the feasibility study.

This will provide the basis for the tenders.

The FAA team is expected to arrive at the end of this month and its study will take about two or three weeks.

Should everything go according to plan, the invitations to tender for the feasibility study should be issued towards the end of next month to early May, according to Mr Fehrer.

The feasibility study--which will be paid for in foreign currency--is due for completion within about six months and provided everything else proceeds according to plan, construction work on the airport could be underway within 18 months.

The official arrangements for the new airport are the responsibility of the Shenzhen administration, although the CAAC is acting in an advisory capacity.

Both Mr Fehrer and Mr Dreher have viewed potential sites in Shenzhen during a three-day visit to the special economic zone.

At current prices, a full-scale international airport could cost Shenzhen at least US\$3 billion.

The airport engineers will have to overcome the difficulties posed by difficult soil conditions. Shenzhen is based on Pearl River silt which does not settle well.

The engineers will also encounter the problem of finding a site that allows good access to and from Hong Kong, and clear of the large hills and mountains that surround the Zouzt.

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HONG KONG MEDIA ON CHINA

HALF OF FOREIGN INVESTMENT IN PRC VIA HONG KONG

HK140531 Hong Kong HONG KONG STANDARD in English 14 Mar 85 Business Standard Supplement p 1

[Text] About 50 percent of foreign investments in China over the past 2 years have been conducted through Hong Kong, says a banker.

This shows that the territory's importance to the China market is growing everyday, Mr Roger Benoit, chief executive manager of Banque Nationale de Paris (BNP) in Hong Kong, said yesterday.

Addressing delegates of a marketing conference on the economic growth of Hong Kong, Benoit said there will be a more balanced economic growth for Hong Kong this year as against the healthy growth experiences last year.

Hong Kong's total trade for 1984, valued at \$445 billion, increased by 32 percent from the previous year.

Domestic exports rose by 32 percent to \$137,936 million while imports and re-exports by 48 percent to \$83,504 million. Domestic exports and reexports together increased by 38 percent.

Imports increased to \$223.3 billion in 1984, an increase of 27 percent or \$47.0 billion over 1983.

Benoit said the rate of external demand will decline this year and the expected slowdown in the growth in the U.S. economy will affect our export growth.

But, he said, this can, to some extent, be balanced by increased exports to China.

Meanwhile, the French Peugeot Company announced yesterday a U.S.\$60 million joint venture to build 15,000 vehicles a year in China.

Peugeot President Jean Boillot said the accord, reached after 6 years of talks, calls for the production of 15,000 pick-up and station wagon versions of Peugeot's 504 sedan annually by the end of the decade at a plant in Guangdong Province.

He said the venture's Chinese partners were "really interested" in starting negotiations on a second pahse which would step up production to a level of between 25,000-30,000 units annually.

Peugeot is the second European car group to make a move into China. Last October, Volkswagen signed a \$66 million joint venture to manufacture passenger cars in Shanghai. The plan involves the production of 20,000 of Volkswagen's Santana sedan and 100,000 engines annually by the end of 1990.

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HONG KONG MEDIA ON CHINA

TIANJIN TO BUILD \$16 MILLION INTERNATIONAL EXHIBITION CENTER

HK200703 Hong Kong SOUTH CHINA MORNING POST in English 20 Mar 85 Business News Supplement p 3

[By Suzanne Sim]

[Text] Tianjin, China's northern coastal city, will build an international exhibition center at a cost of US\$16 million.

This was revealed by a three-member delegation from Tianjin here to promote two exhibitions on construction and computers to be held there later this year.

Mr Qiu Yiwei, director of Tianjin International Exhibition Corp, told BUSINESS NEWS his company signed a joint venture agreement with a UK company, International Conference and Exhibition Group, in January to develop the massive Tianjin International Exhibition Centre.

According to Mr Qiu, the centre will be spread over 25,000 sq m, with an 8,000 sq m exhibition hall, a 200-room hotel, banquet halls, conference rooms, restaurants and other facilities.

Work on the centre is scheduled to begin at the end of this year and the exhibition hall is slated for completion by the end of next year.

A Hong Kong firm of architects, Rocco Design Partners, has been picked to design the centre.

Rocco won the contract in competition with five other firms from Switzerland, West Germany, Hong Kong and Tianjin.

Tianjin covers an area of 11,000 sq km and has a population of 7.6 million.

It has a work force of 1.2 million and plays an important role in serving the hinterland in central and northern China.

In the past 2 years, Tianjin hosted nearly 30 exhibitions, in which more than 2,000 exhibitors from 10 countries participated.

The exhibitions resulted in the signing of contracts worth more than US\$20 million for the sale of machinery.

In the same period, Tianjin held six exhibitions in Japan, Tunisia and Paris to display the city's products and introduce its expertise.

At present, Tianjin has three exhibitions venues: The Tianjin Exhibition Center (5,000 sq m), the Tianjin Industrial Centre (10,000 sq m) and the converted Tianjin Museum (5,000 sq m).

Mr Qiu said the Tianjin international exhibition center will be situated in the city's Hexi District.

For this year the city has planned 12 exhibitions.

They include International Toy '85, Auto '85, Builder '85, Construction '85, and Computer '85.

Displays are also planned for medical and agricultural machinery.

The other members of the delegation are Mr Zhang Hexiang, director of the China Council for the Promotion of International Trade (CCPIT) Tianjin sub-council, and MR Zhou Chang Lin, director of the Department of Economic and Trade Liaison of CCPIT.

They are here on a 1-week tour to promote the city's Computer '85 and Construction '85 exhibitions to be held from 10 to 14 September and 3 to 7 December, respectively.

A Singapore company, AGS-CEMS Exhibitions PTE Ltd, has been appointed to market the two exhibitions worldwide.

It is estimated about 20,000 visitors from China are expected to attend the two shows.

According to Mr Zhang, China intends to step up its computer applications and related high-technology industries through cooperation and joint venture.

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HONG KONG MEDIA ON CHINA

PRC CHEMICALS CORPORATION'S FOREIGN TRADE \$10.4 BILLION

HK210711 Hong Kong TA KUNG PAO in English 21 Mar 85 p 3

[Text] The China National Chemicals Import and Export Corporation (Sino-Chem) boosted its foreign trade to US\$10.4 billion last year, accounting for about a fifth of the nation's total.

Sinochem official, Zhou Yi, announced last week that 1984 exports totaled US\$6.3 billion--about a quarter of the nation's total--while imports were US\$4.1 billion.

Total exports have amounted to US\$4.3 billion (figure as published) since 1950 when the corporation was set up.

Sinochem mainly handles imports and exports of petroleum, natural gas, rubber, chemical fertilizers and raw chemicals.

Zhou said the corporation has begun setting up joint ventures and cooperative enterprises at home and abroad in the past few years, for refining oil, processing plastics and making farm chemicals.

Efforts were also being made to help modernize domestic oil and chemical enterprises.

In addition, Sinochem International Oil (HK) Limited would be set up in Hong Kong in May to further expand business.

The corporation has 35 branches throughout the country, and has established subsidiaries or offices in Japan, the United States, the Federal Republic of Germany, Panama, France, Hong Kong and Macao. It has trade contacts with more than 130 countries and regions.

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HONG KONG MEDIA ON CHINA

COUNTERFEIT PRODUCTS WIDESPREAD IN GUANGZHOU

HK150513 Hong Kong SOUTH CHINA MORNING POST in English 15 Mar 85 p 7

["South China Beat" Column by Albert Chan and Ophelia Suen]

[Text] With Peking endorsing the open economic policy the market for name-brand products is also growing.

With the average monthly income under 200 yuan (about HK\$560), there is an even better market for counterfeit products.

Products on the streets of Canton range from a 48 yuan (about \$135) Cartier watch to a 10 yuan (\$28) "Texwoob" pair of jeans, and even China-made "Vitasoy."

Imitations of Hong Kong fashion are popular and genuine products can fetch higher prices than in Hong Kong. But many of these are second hand.

According to hawkers and owners of small shops in Canton's free market, most of the fakes are made in Guangdong Province but more expensive items like watches are imported from Hong Kong.

Without copyright laws or fear of prosecution, counterfeiters can be fairly blatant with their goods.

A bottle of China-made "Vitasoy" carries the words "Made by the Foshan City Food Factory" and a short list of ingredients printed just below the familiar logo of the real Vitasoy.

In one watch shop in the city centre, Cartier watches are prominently displayed.

On the back of each watch is inscribed the Cartier brand and "Made in Paris."

And TAK (instead of the Japanese TDK brand) cassette tapes with similar packaging as the genuine items are sold openly by hawkers for a fraction of the original's price.

Earlier this month, the CHINA DAILY, the country's only English newspaper, quoted a commerce official as saying that bogus brand products available in the market include wine, bicycles, cigarettes and even television sets.

In Hong Kong, customs and excise officials also noted that China has become a major source of counterfeit goods available in Hong Kong and they comprise mainly garments.